FRANCHISE DISCLOSURE DOCUMENT

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Department of
Business Oversight

Delta Development Group, Inc
a Colorado corporation
5535 W 56th Avenue, Suite 104
Arvada, CO 80002
(720) 880-5871
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The franchisee will operate a disaster recovery business ("**Delta Services Business**") designed to provide commercial and residential property mitigation, reconstruction, remodeling and consulting services to customers

The total investment necessary to begin operation of a Delta Services Business is $175,405 to $355,420, including $60,000 to $95,000 that must be paid to the franchisor or affiliate

The disclosure document summarizes certain provisions of your franchise agreement and other information in plain English Read this disclosure document and all agreements carefully You must receive this disclosure document at least 14 days before you sign a binding agreement or make any payment in connection with the franchise sale **Note, however, that no governmental agency has verified the information contained in this document**

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact Michael Mastous at 5535 W 56th Avenue, Suite 104, Arvada, Colorado 80002, and (720) 880-5871

The terms of your contract will govern your franchise relationship Do not rely on the disclosure document alone to understand your contract Read all of your contract carefully Show your contract and this disclosure document to an advisor, like a lawyer or an accountant

Buying a franchise is a complex investment The information in this disclosure document can help you make up your mind Information comparing franchisors is available Call your state agency or your public library for sources of information More information on franchising, such as "A Consumer's Guide to Buying a Franchise," is available from the FTC You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580 You can also visit the FTC's home page at www ftc gov for additional information

There may be laws on franchising in your state Ask your state agencies about them

Issuance Date March 17, 2017

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in **Exhibit D** for information about the franchisor or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN COLORADO OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 WE WERE FORMED ON JANUARY 5, 2010 AND HAVE A LIMITED OPERATING HISTORY AND EXPERIENCE IN THE OFFER AND SALE OF FRANCHISES

3 WE WILL OPERATE AS A GOING CONCERN PLEASE READ THE FINANCIAL STATEMENTS CAREFULLY

4 IF YOU FAIL TO SATISFY A MINIMUM ANNUAL SALES QUOTA, YOUR AREA OF PRIMARY RESPONSIBILITY MAY BE REDUCED OR ELIMINATED

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should make sure to do your own investigation of the franchise

Issuance Date (for non-registration states) March 17, 2017

DELTA DEVELOPMENT GROUP, INC
FRANCHISE DISCLOSURE DOCUMENT EFFECTIVE DATES
IN DESIGNATED STATES

The following states require that the Disclosure Document be registered or filed with the state or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and disclosure (or business opportunity*) laws as of the dates listed

California	Effective date	Pending
Florida	Effective date	October 11, 2016
Hawaii	Effective date	Not registered
Illinois	Effective date	Not registered
Indiana	Effective date	Not registered
Kentucky*	Effective date	May 3, 2011
Maryland	Effective date	Not registered
Michigan	Effective date	Not registered
Minnesota	Effective date	Not registered
Nebraska*	Effective date	March 18, 2010
New York	Effective date	Not registered
North Dakota	Effective date	Pending
Rhode Island	Effective date	Not registered
South Dakota	Effective date	Pending
Texas*	Effective date	May 4, 2011
Utah	Effective date	Pending
Virginia	Effective date	Not registered
Washington	Effective date	Pending
Wisconsin	Effective date	Not registered

In all other states, the effective date of this Franchise Disclosure Document is **March 17, 2017**

*** Denotes one-time filing**

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ITEM 1
THE FRANCHISOR AND ANY PARENT, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "**Delta Development Group**" or "**we**" means Delta Development Group, Inc , the "**Franchisor** " "**You**" means the person, corporation, partnership or other business entity that buys the franchise, the "**Franchisee** " If you are a business entity, "**you**" includes your owners

The Franchisor

Delta Development Group is a Colorado corporation that was incorporated on January 5, 2010 We do not do business under any other name Our current principal business address is 5535 W 56th Avenue, Suite 104, Arvada, Colorado, and our telephone number is (720) 880-5871 **Exhibit D** discloses our agents for service of process We have been offering franchises for Delta Services Businesses in the United States since February 2010 We do not sell franchises in any other line of business

Delta Development Group grants franchises for the operation of commercial and residential property mitigation, reconstruction, remodeling and consulting businesses using the name "Delta Disaster Services " Since August 2016, we have also operated one Delta Services Business We are not engaged in any other type of business activity

Our Affiliates

We have three affiliates, M J M Corporation, Delta Asset Management, LLC, and MJMastous LLC M J M Corporation ("**Delta Disaster Services**") is a Colorado corporation that was incorporated on August 12, 2004 M J M Corporation does business under the name "Delta Disaster Services " Delta Disaster Services has operated one Delta Services Business since January 2006 Delta Asset Management, LLC ("**Delta Asset Management**") is a Colorado limited liability company that was formed on March 1, 2010 Delta Asset Management does not operate any Delta Services Businesses MJMastous LLC ("**MJMastous**") is a Colorado limited liability company that was formed on February 25, 2008 MJMastous does not operate any Delta Services Businesses None of our affiliates have offered or offer franchises in this or any other line of business The principal business address for all of our affiliates is 5535 W 56th Avenue, Suite 104, Arvada, Colorado We do not have a parent company or predecessor company

The Business

We authorize you to use our trademarks and to operate a Delta Services Business A Delta Services Business provides commercial and residential property mitigation, reconstruction, remodeling and consulting services to customers through a uniform system consisting of high standards of service, use of quality products, and under the business format created and developed by Delta Development Group ("**System**") Commercial and residential property mitigation, reconstruction, remodeling and consulting services include, but are not limited to, water damage mitigation and restoration, fire damage mitigation and restoration, emergency cleaning and repairs, board-up services, professional estimation services, odor elimination, dehumidification and drying, mold remediation, asbestos abatement, debris removal, temporary power services, shoring, selective demolition, inventory and pack-out services, climate-controlled content storage, electronic restoration, document restoration, digital thermal infrared imaging, and environmental consulting

Regulations

There are specific regulations pertaining to the property restoration and remediation industry and you must comply with all national, state and local laws, regulations and codes You may be required by local and state authorities to obtain certain permits, registrations or licenses (for example, as an electrician, plumber, mold inspector, mold remediator, asbestos inspector, asbestos remediator, general abatement contractor, home improvement contractor, or general contractor) to operate a Delta Services Business State and local laws may require you to provide a warranty on Services provided in your Delta Services Business You should consult with state and local agencies and/or your attorney In addition, you must follow guidelines for procedure and remediation recommended by the U S Federal Emergency Management Administration (FEMA), the U S Center for Disease Control (CDC), and the U S Environmental Protection Agency (EPA)

Market Competition

The System presently focuses on serving commercial and residential customers in urban and suburban areas The market for providing disaster remediation and restoration services is developed and competitive You may have to compete with other businesses including franchised operations, national chains and independently owned companies offering disaster remediation and restoration services to commercial and residential customers You will also be required to compete in the current economic environment, which may have a substantial impact on your sales and the revenue you can generate from each sale

ITEM 2
BUSINESS EXPERIENCE

President Michael Mastous

Michael Mastous has served as our President since our formation in January 2010 Mr Mastous has served as the President of Delta Asset Management, located in Arvada, Colorado, since March 2010 Mr Mastous has served as the President of MJMastous, located in Arvada, Colorado, since February 2008 Mr Mastous has served as the President of Delta Disaster Services, located in Arvada, Colorado, since January 2006 Mr Mastous served as the President of MJ Enterprises, located in Littleton, Colorado, from February 1999 until December 2005

Franchise Development Team Member Dixie Feld

Dixie Feld has served as a Franchise Development Team Member since our formation in January 2010 Ms Feld has worked as an Office Manager for Delta Disaster Services, located in Arvada, Colorado, since July 2007 Ms Feld worked as a Real Estate Associate Broker for Coldwell Banker Real Estate, located in Broomfield, Colorado, from March 2004 until December 2007 Ms Feld worked as an Administrative Manager for PG Construction, located in Wheat Ridge, Colorado, from October 2006 until April 2007 Ms Feld was the co-owner/operator of a PostNet Business Services franchise located in Louisville, Colorado, from January 1997 until December 2002, and from February 2005 until February 2007 Ms Feld was the co-owner/operator of a PostNet Business Services franchise located in Broomfield, Colorado, from April 1999 until May 2001 Ms Feld worked as a Claims Manager for Lockton Companies, located in Denver, Colorado, from 1995 until 1996 Ms Feld worked as a Risk Manager for Sturgeon Electric Company, located in Henderson, Colorado, from 1985 until 1995

Vice President of Business Development Jason Kaber

Jason Kaber has served as our Vice President of Business Development since December 2015 Mr Kaber served as the Director of Sales and Marketing for Drive Learning Technology, Inc , of Redmond, Washington, from January 2012 to November 2015 He was also an independent sales, marketing, and sponsorship consultant, based in Seattle, Washington, from January 2011 to November 2015

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Disclosure Document

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Disclosure Document

ITEM 5
INITIAL FEES

If you purchase a Delta Services Business, you pay a lump sum initial franchise fee ("**Initial Franchise Fee**") equal to $45,000 for an Area of Primary Responsibility with a population ranging between 250,000 and 300,000 residents If you are an approved participant in the VetFran Program sponsored by the International Franchise Association, you will receive a 10% discount on the Initial Franchise Fee If you request and we approve an Area of Primary Responsibility larger than 300,000 residents, then you will be required to pay us a lump sum supplemental territory fee ("**Supplemental Territory Fee**") equal to $ 05 per additional person in the Area of Primary Responsibility In addition to the Initial Franchise Fee and Supplemental Territory Fee (if applicable), you will be required to pay us a lump sum technology package fee ("**Technology Package Fee**") equal to $15,000 relating to the functionality of the Xactimate software and your email account, franchisee website, and search engine optimization services The Initial Franchise Fee, Supplemental Territory Fee (if applicable), and Technology Package Fee are due to us at the time you sign the Franchise Agreement and are non-refundable for any reason once paid

At our option, based upon your demonstrated ability to operate more than one Delta Services Business, you may be offered the opportunity to purchase one or more additional Areas of Primary Responsibility Each Area of Primary Responsibility must be purchased by paying seventy five percent (75%) of the then-current Initial Franchise Fee ("**Discounted Initial Franchise Fee**"), any required Supplemental Territory Fee, and by signing the then-current Franchise Agreement At this time, we do not grant any special area development rights for multiple Areas of Primary Responsibility but we reserve the right to do so in the future

During our last fiscal year, which ended December 31, 2016, we did not sell any individual franchises, and therefore, did not collect any Initial Franchise Fees relating to any individual franchises However, based on a request from a franchisee, we entered into one Multi-Unit Development Agreement and collected $221,214 82 in Initial Franchise Fees (including Supplemental Territory Fees) relating to rights we granted for the operation of three Delta Services Businesses

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee†	For construction services, reconstruction services, and asbestos abatement-related services, the greater of 4% of Gross Revenue or the Minimum Royalty, plus For mitigation services, which includes contents-related work and structural cleaning, the greater of 8% of Gross Revenue or the Minimum Royalty	Paid by electronic funds transfer on the sixth day of each month for the preceding month	See Notes 1 and 2
Call Center Fee†	As set forth in the Operations Manual	As incurred	See Note 3
Technology Support Fee†	$299	Payable monthly by electronic funds transfer	See Note 4
Warranty Fund Contribution†	1% of Gross Revenue	Payable monthly by electronic funds transfer	See Note 5
Individual Advertising Expense	2% of Gross Revenue	Payable monthly	See Note 6
National Marketing Fee†	1% of Gross Revenue	Payable monthly by electronic funds transfer	See Note 7
Additional Assistance†	Will vary under circumstances	Payable thirty days after billing	See Note 8
Annual Certification Fee to The Clean Trust ("Clean Trust," formerly known as the Institute of Inspection, Cleaning and Restoration Certification)	Then-current amount charged by the Clean Trust for certification	On or before anniversary of your Clean Trust certification	Payable to the Clean Trust to maintain your certifications
Successor Franchise Fee†	10% of the then-current Initial Franchise Fee	Payable at the time you sign the Successor Franchise Agreement	
Additional Training†	Will vary under circumstances	As incurred	See Note 9
Conferences†	Will vary under circumstances	As incurred	See Note 10

Type of Fee	Amount	Due Date	Remarks
Additional Services†	Will vary under circumstances	As incurred	See Note 11
Relocation Fee†	As set forth in the Operations Manual	As incurred	See Note 12
Estimating Software†	Xactimate software $113 to $160 per month per license	As incurred	See Note 13
Software License Fees†	Quickbooks Premier Contractor $450 – $1,100 for three licensed users, proprietary Delta Management software $200 per month per location or license obtained	As incurred	See Note 14
Transfer Fee†	50% – 75% of the then-current Initial Franchise Fee	Prior to acceptance of transfer	See Note 15
Audit†	Cost of audit plus late fee of one and one-half percent interest per month on understatement	Thirty days after billing	Payable only if audit shows an under-statement of at least two percent of Gross Revenue for any month
Fee for Lost Manuals†	$500	Upon delivery	
Late Fee†	$100	As incurred	Due for any late payment, underpayment or late report
Interest†	Lesser of one and one-half percent per month or highest rate of interest allowed by law, whichever is less	As incurred	Begins to accrue after any payments are due and unpaid
Insurance	Cost of insurance	As incurred	Insurance requirements are set forth in Section 12 of the Franchise Agreement and in the Operations Manual The insurance requirements are subject to change in our sole discretion
Indemnification†	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your Delta Services Business operations

Type of Fee	Amount	Due Date	Remarks
Cost of Enforcement or Defense†	All costs including accounting and attorneys' fees	Upon settlement or conclusion of claim or action	You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement
Technology Maintenance Expense	$500 – $1,500 per computer workstation	As incurred	We impose no cap or limitation on the amount of expense you may incur for hardware and software upgrades
Operation Evaluations	Will vary under circumstances	As incurred	See Note 16
Additional Computer Training	Will vary based on length and type of course	Prior to training	You must take a computer training class at a local computer school if we determine that you do not have sufficient skills to operate your computer, understand how to use the software, and access email and the Internet
Disaster Recovery Vehicle Lease Payments	$400 – $700 per month	Monthly	See Note 17

† Denotes fees which are imposed and payable to us All of these fees are non-refundable under any circumstances once paid Fees paid to vendors or other suppliers may or may not be refundable depending on your vendors and suppliers The fees and costs are uniform as to all persons currently being offered a franchise

Notes

(1) Royalty Fee You will be required to pay us a royalty fee ("**Royalty Fee**") each month equal to the greater of the royalty fee set forth on **Attachment A** to the Franchise Agreement, or the minimum royalty ("**Minimum Royalty**") The royalty fee set forth on **Attachment A** to the Franchise Agreement is (a) 4% of Gross Revenue generated from Construction Services, and (b) 8% of Gross Revenue generated from Mitigation Services The Minimum Royalty will be $0 per month for the first six (6) months after you commence operations, $2,000 per month for the remainder of the first year of the Franchise Agreement, $3,500 per month for the second year of the Franchise Agreement, $4,000 per month for the third year of the Franchise Agreement, $5,000 per month for the fourth year of the Franchise Agreement, and $5,500 for the remainder of the Franchise Agreement The Royalty Fee will be deducted electronically from your bank account on the sixth day of each month for the preceding month Your obligation to pay us the Royalty Fee will commence 90 days after you begin operations The services that constitute Construction Services and the services that constitute Mitigation Services are set forth in the Operations Manual

(2) Gross Revenue "**Gross Revenue**" means the total of all amounts received from customers for Services performed and Products sold from your Delta Services Business, whether such amounts are paid by cash, credit, checks, gift certificates, scrip, coupons, services, property or other means of exchange Gross Revenues include all amounts received from customers for all sales, service, installation, labor, etc

related to the operation of the Delta Services Business Gross Revenue does not include employee receipt of Services or Products, if free, or any portion not paid for by an employee Gross Revenue will be deemed received by your Delta Services Business at the time it receives payment from the customer for the Services or Products, regardless of whether final payment (e g , collection on a customer's personal check) actually has been received by your Delta Services Business Gross Revenues consisting of property or services will be valued at the retail prices applicable and in effect at the time that they are received

(3) Call Center Fee We have the right to establish a call center for purposes of answering calls placed to our toll-free number and allocating calls among franchisees If we establish a call center, we may charge you a call center fee ("**Call Center Fee**") The purpose of this fee is to defray the cost of providing call center services to you

(4) Technology Support Fee The purpose of the technology support fee ("**Technology Support Fee**") is to defray the cost of providing technology support to you

(5) Warranty Fund Contribution Your warranty fund contribution ("**Warranty Fund Contribution**") will be contributed to the warranty fund ("**Warranty Fund**") established to fund the service warranties provided to customers The total Warranty Fund Contribution will be capped at the amount set forth in the Operations Manual We have the right to adjust the cap upon thirty days written notice to you Your obligation to pay us the Warranty Fund Contribution will commence two years after you begin operations

(6) Individual Advertising Expense Your obligation to make the individual advertising expense ("**Individual Advertising Expense**") for advertising and promotion will commence 90 days after you begin operations Prior to the time the Individual Advertising Expense obligation commences, you must spend a total of $6,000 on advertising and promotion in your Area of Primary Responsibility for the first 90 days after you commence operations (See ITEM 7) Salaries for your marketing support personnel are separate expenses that must not be included in the Individual Advertising Expense or the amount you must spend on advertising and promotion for the first 90 days after you commence operations

(7) National Marketing Fee You must pay us a national marketing fee ("**National Marketing Fee**") in addition to the Individual Advertising Expense and Start-Up Advertising The National Marketing Fee will be deposited into a national marketing fund ("**National Marketing Fund**") Advertising materials and services will be provided to you through the National Marketing Fund The Franchise Agreement authorizes us to increase the amount of the National Marketing Fee to a maximum of 3% of Gross Revenue for the previous month If we increase the National Marketing Fee, your Individual Advertising Expense will be reduced by the same amount Your obligation to pay us the National Marketing Fee will commence two years after you begin operations

(8) Additional Assistance We will provide you with additional on-site visits at your reasonable request or if such assistance is determined to be necessary in our discretion If you request such assistance, we have the right to require you to pay our travel expenses and the current daily per-diem fee as set forth in the Operations Manual

(9) Additional Training You must attend additional training as set forth in the Operations Manual You will be required to pay the costs we incur for sending a trainer to the premises of your Delta Services Business ("**Premises**") or Area of Primary Responsibility You will be required to attend additional training conducted by us, and training and certification courses conducted by the Clean Trust and other third-parties You and your employees will be required to attend such additional training and certification courses at your expense, including the cost of training and certification fees, travel and living expenses, and employee wages

(10) Conferences We may hold annual or other periodic conferences to discuss sales techniques, disaster recovery techniques, new product developments, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures Such conferences will be held at our Arvada, Colorado headquarters or at a location chosen by us, and you will be required to attend such conferences

(11) Additional Services If we determine that it is necessary to provide additional services to you in order to keep the System competitive, we may charge you a fee for such additional services

(12) Relocation Fee Once your Delta Services Business is open for business, you may only relocate the Premises by complying with our relocation procedures as set forth in the Operations Manual and by paying us the relocation fee specified in the Operations Manual

(13) Estimating Software In order to secure favorable pricing for our franchisees, we have entered into a software license agreement with the licensor of the estimating software which we require you to use in connection with your Delta Services Business This fee could decrease as your number of software licenses increases and depending on the type of license you obtain Because this fee is a pass-through cost, we are not deriving any revenue from this fee While we will handle the administration of licenses to our franchisees, you must work directly with the software licensor regarding any technical issues you encounter

(14) Software License Fees You must comply with all terms and pay all fees that may be due under a software license agreement for any software you are required to use in the operation of your Delta Services Business The fees to use each software program will vary based on the number of licensed users per location

(15) Transfer Fee You must pay us a transfer fee ("**Transfer Fee**") equal to fifty percent (50%) of the Initial Franchise Fee charged by us at the time of the transfer request if the transferee is an existing franchisee in the System, or seventy five percent (75%) of the Initial Franchise Fee charged by us at the time of the transfer if the transferee is not currently a franchisee in the System

(16) Operation Evaluations We have the right to evaluate the operation of your Delta Services Business at any time We may perform the evaluations at your Delta Services Business or at a customer job site We may perform the evaluations, or we may use a "mystery shopper" program which may include surveys of, and evaluations by, current and past customers If you fail an evaluation, or if we receive a specific customer complaint, you will be required to pay the costs and expenses of subsequent evaluations performed by us and subsequent mystery shopper visits

(17) Disaster Recovery Vehicle Lease Payments You must purchase or lease the specially designed Disaster Recovery Vehicle designated by us If you lease a new vehicle, we estimate that your lease payment will be approximately $500 to $700 per month If you lease a used vehicle, we estimate that your lease payment will be approximately $400 to $600 per month We estimate that the term of your lease will be at least four years

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (1)	$45,000 - $45,000	Lump Sum	At Franchise Agreement Signing	Delta Development Group
Supplemental Territory Fee (2)	$0 - $35,000	Lump Sum	At Franchise Agreement Signing	Delta Development Group
Technology Package Fee	$15,000	Lump Sum	At Franchise Agreement Signing	Delta Development Group
Lease Deposit (3)	$0 - $9,200	Lump Sum	Prior to Signing Lease	Landlord
Utility Security Deposit	$0 - $425	As Incurred	Prior to Utility Hookup	Utilities
Rent (3 months)	$0 - $13,750	Lump Sum	Monthly	Landlord
Leasehold Improvements (4)	$3,500 - $10,000	As Arranged	As Arranged	Approved Contractors
Disaster Recovery Vehicle (5)	$500 - $47,000	Lump Sum	As Arranged	Vehicle Dealer Approved by Us
Equipment (6)	$27,600 - $42,500	As Agreed	Prior to Delivery	Manufacturers, Suppliers
Electronic Equipment (7)	$3,900 - $12,200	As Agreed	Prior to Delivery	Manufacturers, Suppliers
Signage (8)	$475 - $1,800	Lump Sum	Prior to Installation	Sign Company
Furniture and Fixtures (9)	$0 - $5,000	As Incurred	Prior to Delivery	Vendors and Suppliers
Computer Software (10)	$2,900 - $3,295	Lump Sum	As Arranged	Software Companies
Office Equipment and Supplies (11)	$0 - $4,000	As Incurred	Prior to Delivery	Vendors and Suppliers
Stationery and Initial Marketing Materials Package (12)	$4,000	Lump Sum	Prior to Opening Business	Marketing Company
Initial Inventory (13)	$1,000 - $2,500	Lump Sum	Prior to Opening Business	Vendors and Suppliers
Initial Hiring Costs (14)	$250 - $1,750	As Incurred	As Incurred	Employees
Uniforms	$1,000 - $2,000	Lump Sum	Prior to Opening Business	Uniform Supply Company
Business Licenses & Permits	$450 - $700	Lump Sum	Prior to Opening Business	State and Local Licensing Authorities

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Association and Membership Fees	$500 - $2,000	Lump Sum	As Required	Professional Organizations
Professional Fees	$875 - $1,700	As Agreed	As Incurred	Attorneys, Accountants
Insurance (15)	$5,000 - $10,000	Lump Sum	Prior to Opening Business	Insurance Company
Installation Expenses (16)	$0 - $450	Lump Sum	At Delivery	Suppliers, Vendors
Training Expenses – Third Party Courses	$2,200 - $2,450	Prior to Commencing Training	Prior to Commencing Third-Party Training	Training and Certification Companies
Training Expenses (17)	$2,500 - $12,700	As Incurred	Varied Times	Airlines, Hotels, Restaurants
Initial Marketing Expenditures (18)	$6,000	As Arranged	Varied Terms	Suppliers
Additional Funds and Working Capital for First Three Months (19)	$52,755 - $65,000	As Incurred	Varied Times	Suppliers
TOTAL (20)	$175,405 – $355,420			

Notes

(1) Initial Franchise Fee The Initial Franchise Fee is due when you sign the Franchise Agreement and is non-refundable once paid If you are an approved participant in the VetFran Program sponsored by the International Franchise Association, you will receive a 10% discount on the Initial Franchise Fee We do not offer direct or indirect financing

(2) Supplemental Territory Fee If you request and we approve an Area of Primary Responsibility larger than 300,000 residents, then you will be required to pay us a lump sum Supplemental Territory Fee equal to $ 05 per additional person in the Area of Primary Responsibility The low estimated amount is for an Area of Primary Responsibility with a population of 300,000 or fewer residents The high estimated amount is for an Area of Primary Responsibility with a population of 1,000,000 residents The Supplemental Territory Fee, if applicable, is due when you sign the Franchise Agreement and is non-refundable for any reason once paid

(3) Lease Deposit If you do not own adequate space, you must lease space for your Delta Services Business Generally, this will require that you pay the first and the last month's rent, plus a security deposit, at the time you sign the lease Delta Services Businesses are generally located in light industrial parks and must be located near the center of your Area of Primary Responsibility The typical size of a Delta Services Business ranges between 4,000 and 5,000 square feet We reserve the right to deny approval for your proposed location if we deem it too large or too small, in our sole discretion

(4) Leasehold Improvements These amounts are our best estimate of the range of costs of leasehold improvements, based on our experience constructing the one company-owned Delta Services Business located in Arvada, Colorado, and will likely vary substantially based on local conditions, including the availability and prices of labor and materials The amounts do not include the costs of any necessary site development or site engineering work, nor do they include capitalized costs of rent or other occupancy costs, over either the life of the lease or the life of your investment In addition, these amounts do not reflect costs for the purchase of unimproved land and construction of a free-standing Delta Services Business, which also would result in a significantly greater initial investment This estimate does not include any tenant improvement allowance you may receive from the landlord for your Delta Services Business You should carefully investigate all of these costs in the area where you wish to establish your Delta Services Business

(5) Disaster Recovery Vehicle You must lease or purchase a Disaster Recovery Vehicle from our designated or approved supplier and per our standards and specifications The standards and specifications for your Disaster Recovery Vehicle, including the acceptable brand, make and model of your Disaster Recovery Vehicle, are set forth in the Operations Manual The Disaster Recovery Vehicle can be leased, depending on your credit and the auto dealer, with an estimated deposit of ten percent (10%) of the purchase price for the custom vehicle and monthly payments negotiated with the custom vehicle dealer The initial investment amount estimates a ten percent (10%) down payment on the vehicle, plus tax, title and registration fees If the vehicle is not leased, the approximate cost to purchase a new custom vehicle is estimated at $42,000 to $47,000 You must modify your vehicle to meet the standards set forth in the Operations Manual and use any companies designated by us to modify your vehicle to meet such standards We reserve the right to modify our vehicle signage requirements under certain circumstances in our sole discretion We reserve the right to require that you display third-party advertising approved by us on your vehicle Either we or the third-party advertiser will pay for the cost to install the third-party advertising on your custom vehicle You will not receive any compensation from us or any third-party for such advertising You are prohibited from placing any third-party advertising on your custom vehicle without our written approval

(6) Equipment This estimate includes the cost to purchase the following equipment specialized drying equipment, construction and mitigation tools, and other equipment set forth in the Operations Manual

(7) Electronic Equipment This estimate includes the cost to purchase the following electronic equipment computer, tablet computer, printer, camera, and other electronic equipment set forth in the Operations Manual This estimate does not include the cost to purchase an additional tablet computer for your mitigation department because we recommend (but do not require) you to do so

(8) Signage You must purchase our approved sign for your storefront We will provide you with the specifications that must be followed The average cost for the storefront sign ranges from $475 to $1,200, depending on the size

(9) Furniture and Fixtures This estimate includes the cost to purchase the following furniture and fixtures office desks, office chairs, and other furniture and fixtures set forth in the Operations Manual

(10) Computer Software The estimated initial investment includes costs related to the purchase of specified computer software, including Quickbooks Premier Contractor, and our proprietary Delta Management software, and are due and payable to us on the first day of your initial training program

(11) Office Equipment and Supplies Before beginning operations, you must purchase an assortment of office equipment and supplies as set forth in the Operations Manual, including phones, calculators, desk supplies, office consumables and other office equipment and supplies

(12) Stationery and Initial Marketing Materials Package You must purchase stationery and the initial marketing materials set forth in the Operations Manual, including letterhead, envelopes, business cards, magnetic signs for vehicles used by subcontractors and other third-parties, and other marketing materials

(13) Initial Inventory Your initial inventory will include expendable field supplies, cleaning solutions, booties, and other materials set forth in the Operations Manual We have the right to change the inventory requirements at any time

(14) Initial Hiring Costs This estimated amount includes the cost to advertise for employees, and the cost to perform background checks on your prospective employees

(15) Insurance The low amount is an estimate of twenty five percent (25%) of the annual cost of maintaining the insurance required by the Franchise Agreement The high amount is an estimate of fifty percent (50%) of the annual cost of maintaining the insurance required by the Franchise Agreement

(16) Installation Expenses This estimated amount includes the installation costs for your phone system, alarm system, and internet connection

(17) Training Expenses The initial training program will be held at our Arvada, Colorado headquarters, or other locations selected by us, and will be conducted over a period lasting up to fifteen (15) days You must pay for airfare, meals, transportation costs, salaries, benefits, lodging and incidental expenses for all initial training program attendees The low amount is an estimate for two people to attend the initial training program for fifteen (15) days The high amount is an estimate for three people to attend the initial training program for fifteen (15) days

(18) Initial Marketing Expenditures You must spend a total of $6,000 on advertising and promotion in your Area of Primary Responsibility for the first ninety (90) days after you commence operations

(19) Additional Funds and Working Capital for First Three Months This is for budgeting purposes only to account for unanticipated expenses This amount includes estimated operating expenses you should expect to incur during the first three months of operations, not including any revenue generated by your Delta Services Business It includes Individual Advertising Expenses, Technology Support Fees, payroll costs, deposits, fees for city, state and local business licenses, business entity organization expenses, other prepaid expenses, accounting and professional fees, real estate leasing costs that may be payable during the first three months of operation, and other operational expenses These figures do not include any taxes or other permitting or licensing fees that you may pay You should check with your local and state governmental agencies for any taxes and other permitting and licensing fees that may be assessed

(20) Total Estimated Initial Investment We relied on eight years of experience of certain officers of the company in the disaster recovery and mitigation business to compile these estimates You should review these figures carefully with a business advisor before making any decision to purchase the franchise You pay no other fees to us or our affiliates to begin operation of your Delta Services Business Except as described otherwise in this Disclosure Document, we do not refund any fees Fees paid to any third party may be refundable, depending upon the contract, if any, between you and the third party

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must establish and operate your Delta Services Business in compliance with your Franchise Agreement and the standards and specifications contained in the Delta Development Group confidential operations manual ("**Operations Manual**") loaned to you by us The Operations Manual consists of one or more manuals, technical bulletins or other written materials and may be modified by us periodically The Operations Manual may be in printed or in an electronic format in our discretion We reserve the right to require you to use an electronic version of the Operations Manual and to require you to access the document using the Internet or an intranet created and supported by us You will have the opportunity to view the Operations Manual at our headquarters before purchasing the Delta Services Business, provided you agree in writing to keep its content confidential The Operations Manual contains approximately 407 pages The Table of Contents for the Operations Manual is attached to this Franchise Disclosure Document as **Exhibit F**

You must provide specified services and sell specified products Commercial and residential property restoration and remediation services include, but are not limited to, water damage mitigation and restoration, fire damage mitigation and restoration, emergency cleaning and repairs, board-up services, professional estimation services, odor elimination, dehumidification and drying, mold remediation, asbestos abatement, debris removal, temporary power services, shoring, selective demolition, inventory and pack-out services, climate-controlled content storage, electronic restoration, document restoration, fine art recovery, digital thermal infrared imaging, environmental consulting, and licensed general contractor services provided to customers ("**Services**") The products include all supplies, materials and equipment sold, prepared or otherwise used in connection with the Services ("**Products**") We reserve the right to require that you sell additional or different Services and Products in your Delta Services Business on thirty-days prior written notice to you You must provide the Services and sell the Products per our specifications and standards We reserve the right to change standards and specifications upon prior written notice to you

We have standards and specifications for your equipment, uniforms, fixtures, supplies, vehicles ("**Disaster Recovery Vehicles**"), inventory goods, signage, forms, Products, Services, advertising materials and most other services and products used in, sold or provided through your Delta Services Business In order to maintain our standards of consistent, high quality products, customer recognition, advertising support, value and uniformity in Delta Services Businesses, you must purchase or lease all of your required equipment, Disaster Recovery Vehicles, supplies, fixtures, uniforms, inventory, goods, advertising materials, Services and Products used in or sold through your Delta Services Business, per our specifications and standards, only from us, our affiliates or our designated or approved suppliers and distributors At this time no affiliates are approved suppliers None of our officers or directors own an interest in an approved supplier

We estimate that the purchase of these supplies, equipment, inventory, fixtures, goods, Services and Products from us or our designated or approved sources, or those meeting our standards and specifications, will be approximately 55% to 60% of your total cost to establish a Delta Services Business and 30% to 40% of your total cost of operating a Delta Services Business (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment or fixtures)

We may derive revenue from your purchases or leases of inventory, fixtures, supplies and equipment from our designated suppliers and distributors During our last fiscal year, which ended December 31, 2016, we received $7,081 in rebates from Bridgewater Corporation and Shubee, our designated and approved suppliers of equipment and supplies, as a result of our purchases and our franchisees' purchases of equipment and supplies This amount represents less than one percent of our total revenues of $716,694 in our last fiscal year, which ended December 31, 2016

We do not receive any other material consideration based on required purchases or leases Periodically we may receive other rebates from franchisee purchases from our designated or approved suppliers that range from 1% to 5% of total purchases The National Marketing Fund is used by us to promote the System We reserve the right to take whatever action we deem necessary in our discretion to prevent you from selling unauthorized products or services or using unauthorized suppliers including seeking injunctive relief or terminating your Franchise Agreement

You must also purchase computer hardware and software from suppliers that meet our standards and specifications or obtain our written approval to purchase other equipment We will respond to requests for approval to purchase equipment other than the computer system within thirty days from the date the request is received We estimate that the cost for the computer system will range from $2,500 to $10,000

We do not currently negotiate purchase arrangements with suppliers or vendors to obtain price terms and/or other benefits of a buying cooperative for its franchisees We currently do not privately label any products, but we reserve the right to do so in the future We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements It will help you find more detailed information about your obligations in these agreements and in other items of this franchise disclosure document

Obligation	Section in Franchise Agreement	Item in Franchise Disclosure Document
a Site selection and acquisition/lease	Section 8	ITEM 7 & ITEM 11
b Pre-opening purchases/leases	Sections 8, 9	ITEM 7, ITEM 8 & ITEM 11
c Site development and other pre-opening requirements	Section 8	ITEM 6, ITEM 7 & ITEM 11
d Initial and ongoing training	Sections 7, 8, Attachments F-1 and F-2	ITEM 11
e Opening	Section 8	None
f Fees	Sections 5, 6, 9, 11, 15	ITEM 5, ITEM 6 & ITEM 7
g Compliance with standards and policies/operating manual	Sections 2, 8, 9, 10, 11, 12	ITEM 11
h Trademarks and proprietary information	Sections 10, 14	ITEM 13 & ITEM 14
i Restrictions on products/services offered	Sections 8, 9	ITEM 8 & ITEM 16
j Warranty and customer service requirements	Sections 3, 5, 8	ITEM 11
k Territorial development and sales quotas	Sections 2, 4, Attachment A	ITEM 11 & ITEM 12
l Ongoing product/service purchases	Sections 8, 9	ITEM 16
m Maintenance, appearance, and remodeling requirements	Section 8	ITEM 6
n Insurance	Section 12	ITEM 6 & ITEM 7

Obligation	Section in Franchise Agreement	Item in Franchise Disclosure Document
o Advertising	Sections 8, 11	ITEM 11
p Indemnification	Section 12	None
q Owner's participation/management/ staffing	Section 8	ITEM 15
r Records and reports	Section 6	ITEM 6 & ITEM 17
s Inspection and audits	Section 6	ITEM 6
t Transfer	Section 15	ITEM 17
u Renewal	Section 3	ITEM 17
v Post-termination obligations	Sections 10, 14, 17	ITEM 17
w Non-competition covenants	Section 14	ITEM 17
x Dispute resolution	Section 20	ITEM 17

ITEM 10
FINANCING

We require that the Initial Franchise Fee, any Supplemental Training Fee, and the Discounted Initial Franchise Fee be paid to us in cash at the time of signing the Franchise Agreement We do not offer direct or indirect financing, do not guarantee your loans, lease or other obligations, and do not receive payments or other consideration for the placement of financing If you need financing for your franchise purchase, we can introduce you to our contacts at Benetrends and BoeFly, companies that provide financing services to prospective franchise owners

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance

Before you begin your Delta Services Business, we will

1 Designate your Area of Primary Responsibility (See Section 7 3(a) of the Franchise Agreement)

2 Furnish you with specifications for all initial and replacement Disaster Recovery Vehicles, equipment, inventory and supplies required for the operation of the your Delta Services Business (See Section 7 3(b) of the Franchise Agreement)

3 Provide you or your Operating Partner, and such other designated employees ("**Designated Employees**"), with an initial training program, as more specifically defined in the Operations Manual (See Section 7 3(c) of the Franchise Agreement)

During the operation of your Delta Services Business

1 We may provide you with up to two days of on-site assistance, in our sole discretion, at your location The initial visit may occur no later than 45 days after you commence operation of the Delta Services Business (See Section 7 3(d) of the Franchise Agreement)

2 We will provide you with additional on-site visits at your reasonable request or if such assistance is determined to be necessary in your discretion If you request such assistance, you will be required to pay our travel expenses and the current daily per-diem fee as set forth in the Operations Manual (See Section 7 3(e) of the Franchise Agreement)

3 We will make a representative reasonably available to speak with you on the telephone during normal business hours to discuss your operational issues (See Section 7 3(f) of the Franchise Agreement)

4 We will provide you with additional mandatory on-going training services as more fully set forth in the Operations Manual You and your employees will be required to attend such training at your expense, including the cost of tuition, registration fees, travel, living expenses, and employee wages (See Section 7 3(g) of the Franchise Agreement)

5 We may hold annual or other periodic conferences to discuss sales techniques, disaster recovery techniques, new product developments, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures (See Section 7 3(h) of the Franchise Agreement)

6 We will formulate advertising and promotional programs (See Section 7 3(i) of the Franchise Agreement)

7 We will develop new Service and Product methods, as deemed beneficial in our sole discretion for the successful operation of the System You will be informed of any new Product or Service development (See Section 7 3(j) of the Franchise Agreement)

8 We will loan you a copy of our confidential Operations Manual, which contains mandatory and suggested specifications, standards, operating procedures and rules (See Section 7 3(k) of the Franchise Agreement) The Operations Manual is confidential and remains our property We may modify the Operations Manual, but the modification will not alter your status and rights under the Franchise Agreement We may provide you with the Operations Manual and updates in electronic format The Operations Manual contains approximately 407 pages The Table of Contents of the Operations Manual is attached as **Exhibit F**

9 We have the right, upon 30 days written notice to you, to establish a call center for purposes of answering calls placed to our toll-free number and allocating calls among franchisees If instituted, we will be entitled to charge you a Call Center Fee in accordance with Section 5 6 of the Franchise Agreement (See Section 7 3(l) of the Franchise Agreement)

10 We will provide you with ongoing or remedial training, as required by us in our sole discretion You will be required to pay us a reasonable training fee in accordance with the rates established from time to time in the Operations Manual for such training, and you will also be responsible for paying (or reimbursing us within 10 days of receiving an invoice) all wages and travel, living and other costs associated with such training, which may include costs incurred by us to send one or more trainers to your Premises or Area of Primary Responsibility (See Section 7 3(m) of the Franchise Agreement)

11 We will provide you with a copy of our monthly newsletter, if published (See Section 7 3(n) of the Franchise Agreement)

Training

The initial training program will be conducted no later than sixty (60) days before the opening of your Delta Services Business You or your Operating Partner, and your Designated Employees, will be required to attend and satisfactorily complete the initial training program before you open the Delta Services Business You will be required to pay the costs for travel, lodging, meals, ground transportation and other personal expenses incurred in attending the initial training program The initial training program will be held at our Arvada, Colorado headquarters, or other locations selected by us, and will be conducted over a period lasting up to fifteen (15) days

Before you schedule your initial training, you and your Designated Employees must first satisfy all of the pre-training prerequisites ("**Pre-Training Prerequisites**") specified in **Attachment F-1** of the Franchise Agreement to our satisfaction and advise us in writing that all of the Pre-Training Prerequisites have been satisfied If you or your Designated Employees fail to satisfactorily complete all of the Pre-Training Prerequisites to our reasonable satisfaction prior to attending initial training, we reserve the right to require you to leave the initial training program and to attend an alternate initial training program at your sole cost and expense

The current agenda for the initial training program is as follows

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
History/Philosophy	1	0-2	Arvada, Colorado
Use of Manual and Services Provided to Delta Franchisees	1	1-4	Arvada, Colorado
Vendor and Supplier Training	4	8-12	Arvada, Colorado
Marketing and Sales	4	4-16	Arvada, Colorado
Software	15-20	0	Arvada, Colorado
Restoration & Emergency Services Operations	13	10-20	Arvada, Colorado
Industry Training	4-5	0-2	Arvada, Colorado
Management Procedures	5-10	0-5	Arvada, Colorado
Franchise Reporting Requirements	3	0-2	Arvada, Colorado
TOTAL	50-61	23-63	

The initial training program and other on-going training will be conducted under the direction of Michael Mastous and Dixie Feld Michael Mastous has served as our President since our formation in January 2010 Mr Mastous has served as the President of Delta Disaster Services located in Arvada, Colorado, since January 2006 Dixie Feld has served as a Franchise Development Team Member since our formation in January 2010 Ms Feld has worked as an Office Manager for Delta Disaster Services, located in Arvada, Colorado, since July 2007 We may change or substitute training personnel as necessary, and

we may delegate our duties and share our responsibilities with regard to training We use the Operations Manual as a primary instructional material

Before you open your Delta Services Business, you and your Designated Employees must attend the post-training course and obtain the post-training certification as set forth on **Attachment F-2** to the Franchise Agreement

Advertising

You must spend a total of $6,000 on advertising and promotion in your Area of Primary Responsibility within 90 days of commencing operations (**"Start-Up Advertising Period"**) Each month after the expiration of the Start-Up Advertising Period, you must spend 2% of Gross Revenue for the preceding month on advertising and promotion of your Delta Services Business in your Area of Primary Responsibility (**"Individual Advertising Expense"**) Salaries for your marketing support personnel are separate expenses that must not be included in the Individual Advertising Expense or the amount you must spend on advertising and promotion during the Start-Up Advertising Period You may not advertise outside of your Area of Primary Responsibility without our approval, which may be withheld in our sole discretion You must obtain our prior approval of all of your marketing, promotional, and advertising materials You must submit monthly reports to us reflecting your advertising expenditures We do not require you to participate in or to contribute to a local or regional advertising cooperative You may not independently advertise on the Internet We will provide you with a franchisee website for you to promote your Delta Services Business You must request and obtain approval from us if you want to change the content on your franchisee website We will make any and all approved changes to your website

We have formed a national marketing fund (**"National Marketing Fund"**) The amount of your monthly contribution to the National Marketing Fund (**"National Marketing Fee"**) is currently 1% of your Gross Revenue The Franchise Agreement allows us to increase the amount of your monthly National Marketing Fee up to 3% of your Gross Revenue in our discretion This contribution must be made in addition to the Individual Advertising Expense and expenditures made during the Start-Up Advertising Period Advertising materials and services will be provided to you through the National Marketing Fund

We may occasionally provide for placement of advertising on behalf of the entire System, including franchisees, through the National Marketing Fund We reserve the right to use advertising fees from the National Marketing Fund to place advertising in national media (including broadcast, print or other media) in the future Advertising funds are used to promote the products sold by franchisees and are not used to directly sell additional franchises or solicit prospective franchisees (See Sections 11 1, 11 2 and 11 3 of the Franchise Agreement) Company-owned Delta Services Businesses, if any, do not currently contribute to the National Marketing Fund on the same basis as franchisees but reserve the right to do so in the future Unless required by law, we will not be required to deposit the National Marketing Fund in a separate bank account, commercial account or savings account and we may place the National Marketing Fund in our general accounts The National Marketing Fund will be administered by us, in our discretion, and we may use a professional advertising agency or media buyer to assist us

We may reimburse ourselves, our authorized representatives or our affiliates from the National Marketing Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the National Marketing Fund We assume no other direct or indirect liability or obligation to collect amounts due to the National Marketing Fund or to maintain, direct or administer the National Marketing Fund Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the National Marketing Fund on any terms we deem reasonable Since we do not

have this fund audited, audited financial statements are not available to franchisees Upon request, we will make available to you an annual accounting for the National Marketing Fund that shows how the National Marketing Fund proceeds have been spent for the previous year

We may use the National Marketing Fund for the creation, production and placement of commercial advertising, agency costs and commissions, creation and production of video, audio and written advertisements and training materials, administering multi-regional advertising programs, direct mail and other media advertising, in-house staff assistance and related administrative costs, local promotions, supporting public relations, market research, and other advertising and marketing activities, including participating at trade shows Advertising may be placed in local, regional or national media of our choice, including print, direct mail, radio or television We do not guarantee that advertising expenditures from the National Marketing Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all

During our last fiscal year, which ended December 31, 2016, we collected $84,280 in National Marketing Fees Of that amount collected, we spent $16,000 on media placement and other purposes such as graphic design, website design and construction, search engine optimization, and training, and the remaining amount was retained for future use

Currently, we do not have an advertising council composed of franchisees that advises us on advertising policies

Local or Regional Advertising Cooperatives

We have the right to require cooperatives to be formed, dissolved or merged For example, we may designate a local or regional advertising coverage area in which your Delta Services Business and at least one other Delta Services Business is located for purposes of developing a cooperative local or regional advertising or promotional program You will contribute your share to such cooperative advertising and promotional program agreed upon by a certain percentage of the Delta Services Businesses within the designated dominant market area ("**DMA**") as defined by Nielsen Media Research, a company of the Dun & Bradstreet Corporation, or comparable industry designation Such payments will be in addition to and exclusive of any other sums you are required to spend on advertising Currently, however, we have no franchisee cooperatives, but we do have one company-owned outlet Company-owned outlets do not have controlling voting power on fees imposed by any franchisee cooperatives formed in the future

Schedule for Opening

Typically, you will open your Delta Services Business within six months after you sign the Franchise Agreement Factors affecting this length of time include financing arrangements, property lease terms, obtaining necessary licenses, permits and certifications, zoning and local ordinances, delayed delivery of equipment, fixtures, inventory and vehicles, and scheduling and completion of the training program If you do not make reasonable efforts to open your Delta Services Business by the end of six months we may terminate the Franchise Agreement and retain all monies received

Warranty

You must provide your customers with a warranty on workmanship for Services provided in your Delta Services Business, other warranties as set forth in the Operations Manual, and any warranties required by state and local laws If you acquire your Delta Services Business from an existing franchisee, or a previously owned Area of Primary Responsibility with existing customers from us, you must honor all warranties for work done by the previous franchisee, including labor and providing all other required services All dealings and transactions with customers and suppliers must be fair and honest

Computer System

We require you to use computer hardware and software that is compatible with our system requirements, including high-speed Internet access We reserve the right to reasonably specify required computer systems, information and communication systems, including Internet access, and to require or limit your use of such systems and the Internet for marketing purposes We also reserve the right to mandate online reporting to us in a format and time frame specified by us in our discretion Your computer system will be used to report to and communicate with us, as we require, for your accounting information, customer information, and for other tasks that we may designate We will have the right to independently access, collect and use your electronic information, communications, and data in any manner we choose to protect and promote the development of Delta Services Businesses and the sale of franchises There is no contractual limitation on our right to receive or use this information All contact and other information relating to the customers of your Delta Services Business will be our exclusive property

We estimate that the cost of the computer system will range from $3,900 to $12,200 You will be required to utilize Xactimate software, Quickbooks Premier Contractor software and other related Quickbooks software, Intuit Assisted Payroll, T-Sheets time tracking software, and our proprietary Delta Management software, and other software listed in the Operations Manual (collectively, the "**Software**") You will be required to use the Software and to pay us or the outside vendor a software license fee (See ITEM 6 and ITEM 7) You will be required to use our proprietary Delta Management software for project management documentation, as set forth in the Operations Manual We may recommend additional optional software for you to use in connection with your Delta Services Business, which may increase your costs relating to your computer system However, you are not obligated to do so You will be required to purchase and utilize two Android tablets (which meet our specifications and standards), and you must bring those tables with you to your initial training program We are not obligated to provide you with support services, maintenance, repairs, upgrades or updates to your computer system We estimate that the annual cost for maintenance, repairs, upgrades or updates for each computer workstation will range from $500 to $1,500

You must have sufficient computer skills to be able to operate your computer system and to access email and the Internet All computer systems must follow password guidelines as stated in the Operations Manual All franchisees and employees must protect confidential information and data You must have access to high-speed Internet and maintain an email account that allows us to communicate with you on a regular basis You must monitor your email account on a continual basis If we determine that you require additional computer training, you must take and pay for, at your own expense, a computer training course at a local computer training school or community college You must complete this training within 30 days of the day we advise you of this requirement, and you must present us with a certificate acceptable to us to show that you passed the course

We have the right to independently access electronic information and data you maintain in your computer, Software, and email system through our proprietary data management and intranet system, and to collect and use such electronic information and data in any manner we choose to protect and promote the development of the System and the sale of franchises There is no contractual limitation on our right to receive, review, or use information through our proprietary data management and intranet system

We own all business records ("**Business Records**") with respect to customers and other service professionals of, and/or related to, the Delta Services Business including, without limitation, all communications and databases (whether in print, electronic or other form), including all names, addresses, telephone numbers, e-mail addresses, customer purchase records, contractor engagement records, and all other records contained in the database, all information and records contained in the various software listed in the Operations Manual, including but not limited to Xactimate software, Quickbooks Premier Contractor software, and our proprietary Delta Management software, and all other Business Records created and

maintained by you At all times during and after the termination, expiration or cancellation of the Franchise Agreement, we may access (directly or through a third party) such Business Records, as well as your operating-level financial records, and may utilize, transfer, or analyze such Business Records as we determine to be in the best interest of the System

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such communications and computer-related problems

ITEM 12
TERRITORY

If you purchase a Delta Services Business, you will receive an exclusive territory to sell the Services and Products you are authorized to sell by the Franchise Agreement ("**Area of Primary Responsibility**") The Area of Primary Responsibility will be delineated by zip codes You are required to have your commercial location within the Area of Primary Responsibility The size of the Area of Primary Responsibility depends on population density, zip codes, counties, and economic development A typical Area of Primary Responsibility will have a population of 250,000 to 300,000 residents If you request, and we approve, an Area of Primary Responsibility larger than 300,000 people, then you will be required to pay us a Supplemental Territory Fee equal to $ 05 per additional person in the Area of Primary Responsibility

We will not operate Delta Services Businesses or grant franchises for a Delta Services Business within your Area of Primary Responsibility unless you fail to meet your sales quota in any year after the first year of your initial term ("**Minimum Annual Sales Quota**") There is no Minimum Annual Sales Quota in the first year of your initial term The following chart lists the Minimum Annual Sales Quotas

Year of Operation	Minimum Annual Sales Quota
2	$850,000
3	$1,000,000
4	$1,225,000
5	$1,350,000

Failure to satisfy a Minimum Annual Sales Quota may result in the reduction or elimination of your Area of Primary Responsibility or the termination of your Franchise Agreement These Minimum Annual Sales Quotas are not, and should not be considered, financial performance representations for your Delta Services Business

If you sign a Successor Franchise Agreement, your Minimum Annual Sales Quotas will be the Minimum Annual Sales Quotas you were required to satisfy during the last year of your initial term unless our then-current form of Franchise Agreement specifically requires the satisfaction of different Minimum Annual Sales Quotas You do not receive the automatic right to acquire additional franchises Provided you are meeting your Minimum Annual Sales Quotas, you will maintain rights to your Area of Primary Responsibility even though the population may increase

We may permit another franchisee to provide Services or sell Products to one or more customers in your Area of Primary Responsibility if you notify us, or we determine in our sole discretion, that you are unable to provide Services or sell Products to a particular customer or customers in a timely manner as required by the Operations Manual, or in the event of a disaster of such magnitude that a single franchisee

would not be capable of providing Services or Products in a time frame and manner sufficient to meet the needs of all customers in the disaster zone

You must report Gross Revenue from permitted sales made outside of your Area of Primary Responsibility on a separate reporting form You must pay the Royalty Fee, Individual Advertising Expense, National Marketing Fee, and Warranty Fund Contribution for permitted sales made outside of your Area of Primary Responsibility

You may relocate your Delta Services Business to another location within your Area of Primary Responsibility if you receive a notice of default or termination under your lease or mortgage or if there is any proposed taking of the Delta Services Business location or any portion through the exercise of the power of eminent domain If you open a new Delta Services Business at another location in accordance with our standards and general specifications within six months of the closing of the old Delta Services Business, the new one will be deemed to be the Delta Services Business licensed under the Franchise Agreement

We have and retain the right under the Franchise Agreement to develop and establish other franchise systems for the same, similar, or different products, or services utilizing proprietary marks not now or in the future designated as part of the System licensed under the Franchise Agreement, and to grant licenses for these other franchise systems without providing you any right in it We retain the right to open, operate, sell, manage and/or franchise Delta Services Businesses outside the Area of Primary Responsibility

We may implement multi-area marketing programs and issue mandatory policies to coordinate such multi-area marketing programs In the event that we contract with a company with properties located in more than one Area of Primary Responsibility, each franchisee has the right to provide Services for the properties located in its Area of Primary Responsibility If a franchisee does not elect to provide such Services for properties located in its Area of Primary Responsibility, we, our affiliates, or another franchisee may provide such Services

You will have the right to participate in home shows, provide educational programming, and engage in other collective marketing efforts outside of your Area of Primary Responsibility This collective marketing activity could involve, and potentially generate business for, two or more franchisees However, any such activity must be conducted in accordance with the requirements set forth in the Operations Manual For example, the Operations Manual contains guidelines that must be followed relating to referrals of Services or Products between franchisees across areas of primary responsibility

We reserve for ourselves the exclusive right to market any other products or services utilizing the Marks or other marks over the Internet If we elect to sell Products or Services over the Internet (e-commerce) to a customer in your Area of Primary Responsibility, our supplier or distributor may provide you with a credit in an amount determined by us, in our sole discretion We are not required to compensate you if we solicit or accept orders inside your Area of Primary Responsibility

We may acquire, merge with, or be acquired by any other business, including a business that competes directly with your Delta Services Business, or to acquire and convert to the System any businesses offering disaster recovery and mitigation services, including a business operated by competitors located inside or outside of your Area of Primary Responsibility, or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned

We may use the Marks and the System in connection with the provision of other services and products or in alternative channels of distribution, without regard to location

We reserve the rights to any websites utilizing a domain name incorporating one or more of the words "Delta," "Disaster" and "Services " You may not independently market on the Internet, use any form of social media or networking, or use any domain name, address, locator, link, metatag, or search technique, with words or symbols similar to the Marks, without our prior written consent We retain the sole right to market on the Internet, including all use of websites, domain names, URLs, linking, social media, advertising, co-branding arrangements You will provide us content for our Internet marketing, and sign our Internet and Intranet usage agreements, if any We also retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, metatags, and in connection with linking, advertising, co-branding, and other arrangements We retain the right to approve any linking or other use of our website You may not establish a presence on or market using the Internet except as we may specify, and only with our prior written consent

ITEM 13
TRADEMARKS

We grant you the right to operate a Delta Services Business under the name "Delta Disaster Services " You may also use our other current or future trademarks to operate your business By trademark, we mean trade names, trademarks, service marks and logos used to identify your business

The "Delta Disaster Services Peace of Mind During Uncertain Times®" mark and other trademarks, service marks, and other commercial symbols ("**Marks**") are owned by Delta Asset Management and are licensed exclusively to us Delta Asset Management has granted us an exclusive license ("**Trademark License**") to use the Marks for purposes of selling Services and Products associated with the System in the United States The Trademark License extends for 30 years, commencing March 1, 2010, but it will renew upon our notice to Delta Asset Management for subsequent 10 year periods, provided, we are not in default of the Trademark License In the event the Trademark License is terminated, Delta Asset Management has agreed to license the use of the Marks directly to our franchisees until such time as each Franchise Agreement expires or is otherwise terminated

The following trademarks are registered on the Principal Register with the United States Patent and Trademark Office ("**USPTO**")

Mark	Registration Date	Registration Number	Status/Register
	March 6, 2007	3,216,483	Registered on the Principal Register
PEACE OF MIND DURING UNCERTAIN TIMES	May 1, 2012	4,135,964	Registered on the Principal Register
DELTA DISASTER SERVICES	May 22, 2012	4,147,152	Registered on the Principal Register
ONE LOSS, ONE COMPANY, ONE CALL	October 22, 2013	4,421,425	Registered on the Principal Register

Delta Asset Management has common law rights in the following Mark

Mark	Registration Date	Registration Number	Status/Register
DELTA DISASTER SERVICES PEACE OF MIND DURING UNCERTAIN TIMES	N/A	N/A	Common Law

We do not have a federal registration for the trademark listed in the table above Therefore, this trademark does not have as many legal benefits and rights as federally-registered trademarks If your right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses

In addition, we may use other unregistered trademarks You must follow our rules when you use any of these Marks You cannot use these Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you You may not use our Marks or any variation of it, in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us

You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate or business name or in any form on the Internet, including but not limited to URLs, domain names, email addresses, locators, social media, links, metatags or search techniques You must get our prior written approval of your company name before you file any registration documents You must indicate, as required in the Franchise Agreement and specified in the Operations Manual, that you are an independent operator Guidelines regarding proper trademark use and notices are in the Operations Manual and will be updated periodically in our discretion

No currently effective litigation affects Delta Asset Management's use or ownership rights in the Marks or our rights to license use of the Marks to you There are no currently effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of any state or court pending infringement, opposition or cancellation, or pending material litigation involving the Marks

No currently effective agreements, other than the Trademark License, limit our right to use or license the use of the Marks

You must notify us within three calendar days of when you learn about an infringement of or challenge to your use of the Marks We will take the action that we deem necessary to protect the unauthorized use of the trademarks

You must modify or discontinue the use of a Mark if we modify or discontinue using the Mark You must not directly or indirectly contest our or Delta Asset Management's right to the Marks, trade secrets or business techniques that are part of our business

We do not know of any infringing uses that could materially affect your use of our Marks You should understand that there could be other businesses using trademarks, trade names, or other commercial symbols similar to our Marks with superior rights to our rights Before opening your Delta Services Business, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise to avoid the possibility of having to change your Delta Services Business name

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise

We claim common law rights and copyright protection for our Operations Manual, promotional materials, advertising materials and training materials

Your entire knowledge of the operation of the Delta Services Business and the System is derived from information disclosed to you by us and certain of the information is proprietary and a trade secret of ours You must maintain the absolute confidentiality of all proprietary information and trade secrets during and after the term of the franchise and must not use any of the information in any other business or in any manner not specifically authorized or approved by us in writing

You may only divulge confidential information to your employees as necessary All information which we designate as confidential will be deemed confidential except information which you can demonstrate was a part of the public domain, through publication or communication by others

You must also promptly tell us when you learn about unauthorized use of our proprietary information and trade secrets We are not obligated to take any action but will respond to this information as we think appropriate

We own all records with respect to the customers, suppliers, and other service providers of, and/or related in any way to, your Delta Services Business including all databases (whether in print, electronic, or other form), including all names, addresses, phone numbers, email addresses, customer purchase records, etc , and may use, assign or transfer these records in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise (See Section 6 11 of the Franchise Agreement) We may contact any and/or all of your customers, suppliers and other service providers for quality control, market research and such other purposes as we deem appropriate, in our sole discretion (See Section 8 4 of the Franchise Agreement)

You must disclose to us all ideas, techniques and products concerning the development and operation of the Delta Services Business you or your employees conceive or develop during the term of the Franchise Agreement You must grant to us and agree to obtain from your owners or employees a perpetual, non-exclusive and worldwide right to use these ideas, techniques and products concerning the development and operation of Delta Services Business that you or your employees conceive or develop during the term of the Franchise Agreement in all disaster recovery related service and product businesses that you operate We will have no obligation to make any lump sum or on-going payments to you with respect to any idea, concept, method, technique or product You must agree that you will not use nor will you allow any other person or entity to use any of these ideas, techniques or products without obtaining our prior written approval

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are an individual, you must directly supervise the Delta Services Business If you are a business entity, or if you have insufficient experience in a similar business or in business management in general, then you must designate an operating partner ("**Operating Partner**") with the required experience who will have direct responsibility for all operations of the Delta Services Business The Operating Partner must own not less than 10% of the equity of your business entity The Operating Partner must attend and

successfully complete the initial training program, and must abide by the obligations in the Franchise Agreement and the Operations Manual The Operating Partner must agree to the same confidentiality and non-competition obligations that you are required to abide by (See **Exhibit H** of this Franchise Disclosure Document)

If you are a legal or business entity, each individual who owns, directly or indirectly, a 5% or greater interest in you (and, if you are an individual, your immediate family defined as your spouse and domestic partner) must sign the Guaranty and Assumption of Franchisee's Obligations assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement (See **Attachment B** to the Franchise Agreement and our Non-Disclosure and Non-Competition Agreement attached to this Franchise Disclosure Document as **Exhibit H**)

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell and offer only those Services and Products which are authorized by us and which meet our standards and specifications You must offer all types of Services and Products specified by us We have the unlimited right to change or add to our required Services and Products at our discretion with prior notice to you You must discontinue offering any Services or Products which we may, in our discretion, disapprove in writing at any time No product or service, except approved Services and Products, may be offered to customers from your Delta Services Business unless you receive our prior written consent (which may be granted or denied in our sole discretion)

Except as described in this ITEM 16, there are no restrictions on the prices at which you may sell the Products or Services, except that we may recommend prices, set maximum prices, and determine pricing strategy of multi-area marketing programs, as permitted by law

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists important provisions of the franchise and related agreements You should read these provisions in the agreements attached to this disclosure document

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a Length of the franchise term	Section 3 1	Ten years
b Renewal or extension of the term	Section 3 1	Your successor franchise right permits you to remain as a franchise after the initial term of your Franchise Agreement expires If you wish to do so and you satisfy the pre-conditions to obtaining a Successor Term, we will offer you the right to obtain an additional term of ten years

	Provision	Section in Franchise Agreement	Summary
c	Requirements for franchisee to renew or extend	Sections 3 1, 3 2, 3 3, 3 4	Be current in payments, sign release, pay Successor Franchise Fee You must sign our then-current Franchise Agreement ("**Successor Franchise Agreement**") for the Successor Term, and this new Franchise Agreement may have **materially** different terms and conditions (including, *e g* higher royalty and advertising contributions) from the original Franchise Agreement that covered your first term
d	Termination by franchisee	Not applicable	Not applicable
e	Termination by franchisor without cause	Not applicable	Not applicable
f	Termination by franchisor with cause	Section 17	Can terminate upon certain violations of the Franchise Agreement by you
g	Cause" defined - curable defaults	Section 17 2	You have 30 days to cure the defaults listed in Section 17 2 of the Franchise Agreement including, but not limited to, failure to submit monthly Gross Revenue statements, failure to comply with the Operations Manual, and failure to obtain our prior consent when required
h	Cause" defined – non-curable defaults	Section 17 1	The non-curable defaults set out in Section 17 1 of the Franchise Agreement, including repeated defaults even if cured, abandonment, trademark misuses and unapproved transfers
i	Franchisee's obligations on termination/non-renewal	Sections 10, 12 14, 17	Obligations include complete de-identification, payment of amounts due and return of all Confidential Information and records
j	Assignment of contract by franchisor	Section 15 1	No restriction on our right to assign
k	' Transfer" by franchisee – definition	Section 15	Includes transfer of contract or assets or ownership change
l	Franchisor approval of transfer by franchisee	Section 15	We have the right to approve all transfers
m	Conditions for franchisor approval of transfer	Section 15 7	New franchisee qualifies (new franchisee must travel to our headquarters at its own expense as part of our approval process), transfer fee paid, purchase agreement approved, training arranged, release signed by you and current Franchise Agreement signed by new franchisee
n	Franchisor's right of first refusal to acquire franchisee's business	Section 16	We can match any offer for your Delta Services Business
o	Franchisor's option to purchase franchisee's business	Section 16	We may but are not required to, purchase your inventory and equipment at fair market value if your franchise is terminated for any reason

Provision	Section in Franchise Agreement	Summary
p Death or disability of franchisee	Sections 15 9, 15 10	Your personal representative must transfer all right, title and interest in the Franchise Agreement to an approved third party within six (6) months
q Non-competition covenants during the term of the franchise	Section 14	No involvement in competing business anywhere in US
r Non-competition covenants after the franchise is terminated or expires	Section 14	No competing business for two years within 100 miles of your Area of Primary Responsibility or any other franchisee's, franchisor's, or affiliate's Area of Primary Responsibility
s Modification of the agreement	Section 21 11	No modifications of Franchise Agreement during term generally, unless mutually agreed to by the parties in writing, Operations Manual subject to change
t Integration/merger clause	Section 21 5	Only the terms of the Franchise Agreement are binding (subject to state law), any representations or promises outside of the disclosure document and franchise agreement many not be enforceable
u Dispute resolution by arbitration or mediation	Section 20	Except for certain claims, all disputes must be arbitrated in Colorado, or at our option, where our headquarters are located at the time of the hearing
v Choice of forum	Section 20 1	Arbitration and litigation must be in Colorado, or at our option, where our headquarters are located at the time of the hearing, except as provided in the State Specific Addenda (See **Exhibit E**)
w Choice of law	Section 21 1	Colorado law applies, except as provided in the State Specific Addenda (See **Exhibit E**)

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote our franchise

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document Financial performance information that differs from that included in ITEM 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this ITEM 19, for example, by providing information about possible performance at a particular location or under particular circumstances

The figures in **Table 1** below present Contracts Completed/Invoiced, Total COGS Completed Contracts, Gross Profit, and Gross Profit Margin experienced by franchisees resulting from the sale of Products and Services by their respective Delta Services Businesses during the period between January 1, 2016 and December 31, 2016 The table presents the high, average, and low performances experienced by our franchisees who met the reporting criteria detailed below Your financial results are likely to differ from the figures presented You should conduct an independent investigation of the costs and expenses you will incur in operating your Delta Services Business You should carefully review the attached explanatory notes

TABLE NO 1
"Statement of Income and Pending Contracts"

Contracts Completed/Invoiced **January 1, 2016 – December 31, 2016**	
- High	$4,998,082
- Low	$937,992
- Average (4 locations reporting)	$2,644,777
- Number and percentage of locations at or above average	2 of 4 (50%)
Total COGS Completed Contracts **January 1, 2016 – December 31, 2016**	
- High	$3,614,690
- Low	$585,551
- Average (4 locations reporting)	$1,830,431
- Number and percentage of locations at or above average	2 of 4 (%)
Gross Profit **January 1, 2016 – December 31, 2016**	
- High	$1,383,392
- Low	$334,753
- Average (4 locations reporting)	$814,346
- Number and percentage of locations at or above average	2 of 4 (50%)
Gross Profit Margin **January 1, 2016 – December 31, 2016**	
- High	41 15%
- Low	27 68%
- Average (4 locations reporting)	30 79%
- Number and percentage of locations at or above average	3 of 4 (75%)

Notes to Tables No 1

(1) As of December 31, 2016, we had five franchised Delta Services Businesses operating in the Delta Services Business System Of the total number of franchised Delta Services Businesses operating, four Delta Services Businesses met all of the following criteria ("**Reporting Criteria**") each Delta Services Business had been open and operating for at least 12 full months by December 31, 2016 ("**Reporting Period**"), had been open and operating for all 12 months during the Reporting Period, had submitted Royalty Fee reports, and had provided us with year-end financial information for timely publication of this Disclosure Document The results of the remaining Delta Services Business did not satisfy one or more of the Reporting Criteria All franchised Delta Services Businesses that satisfied the Reporting Criteria are included in this table

(2) "**Contracts Completed/Invoiced**" means the total value of recognizable revenue from completed or partially completed contracts and orders that have been invoiced to customers Recognizable revenue excludes all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority

(3) "**Total COGS Completed Contracts**" means the total cost of services, labor, products and goods required or used to complete the contracts and orders for property mitigation, reconstruction, remodeling, consulting services, and products The specific costs that comprise "Total COGS Completed Contracts" for 2016 include all job specific costs (for example permits, supplies, disposal of demo materials, equipment rental, estimating expenses related to the projects), certain job specific labor (for example technician labor, carpenter labor, bonus' and commissions related to the projects, and subcontractors), referral fees related to direct repair contracts, certain job related labor (for example supervisor labor, labor burden (insurance and taxes), benefits and associated payroll costs, and contract labor), and truck operating costs (for example fuel, insurance, licenses, repairs and maintenance)

(4) "**Gross Profit**" means profit after deducting cost of goods sold (COGS) but before deducting overhead and other operating expenses and income taxes

(5) "**Gross Profit Margin**" means the proportion of money left over from revenues after accounting for the cost of goods sold, calculated by dividing Gross Profit by Contracts Completed/Invoiced

(6) The Contracts Completed/Invoiced, Total COGS Completed Contracts, Gross Profit, and Gross Profit Margin figures are derived from the aggregate sales of Delta Services Business Products and Services, prepared from sales records and reports, as generated by independent accountants, QuickBooks, and franchisees, and submitted to us by the six Delta Service Businesses satisfying the Reporting Criteria which were owned and operated by franchisees during the Reporting Period and should not be considered the actual or probable results which will be achieved by any individual franchisee A franchisee's Gross Profit and Gross Profit Margin are likely to be lower in its first year of business We recommend that prospective franchisees consult with professional advisors before executing any agreement Your accountant can help you develop your own estimated costs for your Delta Services Business Data from franchisee owned operations is not an indication of how your Delta Services Business will perform

TABLE NO 2
"Year Over Year Comparison"

Contracts Completed/Invoiced	
2015 Average (6 locations reporting)	$1,235,080
2016 Average (4 locations reporting)	$2,644,777
Year Over Year Comparison	+114%
Total COGS Completed Contracts	
2015 Average (6 locations reporting)	$764,881
2016 Average (4 locations reporting)	$1,830,431
Year Over Year Comparison	+139%
Gross Profit	
2015 Average (6 locations reporting)	$509 382
2016 Average (4 locations reporting)	$814,346
Year Over Year Comparison	+60%
Gross Profit Margin	
2015 Average (6 locations reporting)	38 07%
2016 Average (4 locations reporting)	30 79%
Year Over Year Comparison	-19%

Notes to Table No 2

(1) **"Contracts Completed/Invoiced," "Total COGS Completed Contracts," "Gross Profit,"** and **"Gross Profit Margin"** have the same meanings as provided in the Notes to Table No 1 above

(2) As of December 31, 2015, we had seven franchised Delta Services Businesses operating in the Delta Services Business System The 2015 figures included in this Table No 2 were compiled based on the six franchised Delta Services Businesses which met all of the following criteria (**"2015 Reporting Criteria"**) each Delta Services Business had been open and operating for at least 12 full months by December 31, 2015 (**"2015 Reporting Period"**), had submitted Royalty Fee reports, and had provided us with year-end financial information for timely publication of this Disclosure Document The results of the remaining Delta Services Business did not satisfy one or more of the 2015 Reporting Criteria All franchised Delta Services Businesses that satisfied the 2015 Reporting Criteria are incorporated into the 2015 average figures included in this table

(3) As of December 31, 2016, we had five Delta Services Businesses operating in the Delta Services Business System The 2016 figures included in this Table No 2 were completed based on the four Delta Services Businesses which met all of the following (**"2016 Reporting Criteria"**) each Delta Services Business had been open and operating for at least 12 full months by December 31, 2016 (**"2016 Reporting Period"**), had been open and operating for all 12 months during the Reporting Period, had submitted Royalty Fee reports, and had provided us with year-end financial information for timely publication of this Disclosure Document The results of the remaining Delta Services Business did not satisfy one or more of the 2016 Reporting Criteria All Delta Services Businesses that satisfied the 2016 Reporting Criteria are incorporated into the 2016 average figures included in this table

Additional Notes Relevant to Tables No 1 and No 2

(1) The Contracts Completed/Invoiced, Total COGS Completed Contracts, Gross Profit, and Gross Profit Margin figures were prepared from the sales records and reports, as generated by year-end financial date received by us from each of the franchisees in the System We do not know of an instance, nor do we have reason to believe, that any manager or owner would overstate his or her figures in his or her report However, these Contracts Completed/Invoiced, Total COGS Completed Contracts, Gross Profit, and Gross Profit Margin figures have not been audited and we have not independently verified any of the figures reported in this table

(2) The characteristics of the franchised Delta Services Businesses included in Tables No 1 and No 2 do not differ materially from those outlets that may be offered to prospective franchisees

(3) The property remediation and restoration services offered by each franchisee, although essentially the same, may vary slightly based on market conditions, demand for specific types of services, type of design and building materials, local architectural requirements, and the sales skills utilized by the owners and employees of each individual Delta Services Business The total revenue attained by each Delta Services Business will depend on a wide range of factors including, but not limited to, geographic differences, the demand for property remediation and restoration services in each franchisee's Area of Primary Responsibility, the time it takes to complete each contract or order, competition within the immediate market area, the quality of the service provided to customers by the franchisee and its employees, consumer or insurance company demand for the franchisee's services, and the marketing skills and sales efforts employed by each franchisee The profitability of individual franchisees will depend on a number of factors which may vary due to the individual characteristics of each Delta Services Business Factors affecting the gross profit may include, but are not limited to, the costs of labor, insurance, materials and supplies, and compliance with federal, state and local laws regulating the provision of property remediation and restoration services, including any permitting, licensing and registration requirements In addition, net profitability will be affected by required contributions for advertising and promotions as well as royalty fees paid to us Accordingly, we cannot, and do not, estimate the results of any particular franchise

The figures below in **Table No 3** represent Contracts Completed/Invoiced, Total COGS Completed Contracts, Gross Profit, and Gross Profit Margin experienced by M J M Corporation, our one-affiliate owned Delta Services Business, which is located in the greater Denver metropolitan area (**"Corporate Location"**) Our Corporate Location has continuously operated since January 2006 As a result, your financial results are likely to differ from the figures presented You should conduct an independent investigation of the revenues you could generate and the costs and expenses you will incur in operating your Delta Services Business You should carefully review the attached explanatory notes

TABLE NO 3
"Corporate Location"

	January 1, 2016 – December 31, 2016	**Number and percentage of franchised locations at or above figure (based on Delta Service Businesses that had been open and operating for at least 12 full months by December 31, 2016)**
Contracts Completed/Invoiced	$4,540,523	1 of 4 (25%)
Total COGS Completed Contracts	$3,401,217	1 of 4 (25%)
Gross Profit	$1,139,306	1 of 4 (25%)
Gross Profit Margin	25 09%	4 of 4 (100%)

Notes to Table No 3

(1) The information provided above is based on the actual performance of our only Corporate Location in the greater Denver metropolitan area for the 12-month period ended December 31, 2016 The information is not based on any Delta Service Business franchised locations Because the representation relates to the performance of our Corporate Location, Delta Service Business franchised locations will share some of the characteristics, including, degree of competition, services or goods sold, and services supplied by us However, the Corporate Location was not subject to the Royalty Fee, National Marketing Fee, or any other fees due to our franchisor entity, Delta Development Group, Inc , under the Franchise Agreement

(2) The Contracts Completed/Invoiced, Total COGS Completed Contracts, Gross Profit, and Gross Profit Margin figures were prepared from the sales records and reports, as generated by our independent accountant We do not know of an instance, nor do we have reason to believe, that the manager of the Corporate Location would overstate the Corporate Location's figures in its report However, these Contracts Completed/Invoiced, Total COGS Completed Contracts, Gross Profit, and Gross Profit Margin figures have not been audited and we have not independently verified any of the figures reported in this table

(3) The Contracts Completed/Invoiced, Total COGS Completed Contracts, Gross Profit, and Gross Profit Margin figures represent sales and expenses during the Reporting Period and should not be considered the actual or probable results which will be achieved by any individual franchisee A franchisee's Gross Profit and Gross Profit Margin are likely to be lower in its first year of business We recommend that the prospective franchisee make his or her own independent investigation to determine whether or not a Delta Services Business may be profitable We further recommend that prospective franchisees consult with professional advisors before executing any agreement Your accountant can help you develop your own estimated costs for your Delta Services Business Data from franchisee owned operations is not an indication of how your Delta Services Business will perform

(4) As of December 31, 2016, we had five Delta Services Businesses operating in the Delta Services Business System However, the franchised locations referenced in the far right column ("Number and percentage of franchised locations at or above figure") only include the four Delta Services Businesses that had been open and operating for all 12 months in 2016

Additional Notes Relevant to Tables No 1, No 2, and No 3

(1) We have written substantiation in our possession to support the information appearing in this ITEM 19 This substantiation will be made available by us to all prospective franchisees upon reasonable request Franchisees or former franchisees listed in this Franchise Disclosure Document may also be a source of information

(2) You must bear in mind that a newly opened business should not be expected to achieve sales volumes or maintain expenses similar to those of an established business

(3) Some outlets have sold the amounts stated Your individual results may differ There is no assurance you will sell as much

(4) You are responsible for developing a business plan for your Delta Services Business, including budgets, financial statements, projections, and other elements appropriate to your particular circumstances The cost of services, labor, products and goods identified in this statement are not

the only costs that you will incur in connection with the operation of your Delta Services Business For instance, allowances should be made for legal, accounting, loan interest, and other additional costs not reflected in this financial performance representation We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable to you You should use the above information only as a reference in conducting your analysis and preparing your own projected income statements and cash flow statements We encourage you to consult with your own accounting, business, and legal advisors to assist you in identifying the costs you likely will incur in connection with your Delta Services Business, to prepare your budgets, and to assess the likely or potential financial performance of your Delta Services Business

(5) In developing the business plan for your Delta Services Business, you are cautioned to make necessary allowance for changes in financial results to income, expenses, or both that may result from operations of your Delta Services Business during periods of, or in geographic areas experiencing, economic downturns, inflation, unemployment, other negative economic influences, or a decreased demand for property remediation and restoration services and products

Other than as set forth above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Michael Mastous, 5535 W 56th Avenue, Suite 104, Arvada, Colorado, (720) 880-5871, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No 1

Systemwide Outlet Summary
For Years 2014-2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	5	7	+2
	2015	7	7	0
	2016	7	5	-2
Company-Owned	2014	1	1	0
	2015	1	1	0
	2016	1	2	+1
Total Outlets	2014	6	8	+2
	2015	8	8	0
	2016	8	7	-1

Table No 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2014-2016

State	Year	Number of Transfers
All States	2014	0
	2015	0
	2016	0
Totals	2014	0
	2015	0
	2016	0

Table No 3

Status of Franchised Outlets
For Years 2014-2016

State	Year	Outlets at Start of the Year	Outlets Added	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions – Other Reasons	Outlets at End of the Year
Colorado	2014	2	1	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Florida	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	1	0
Pennsylvania	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	1	0	0
Utah	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Total	2014	5	2	0	0	0	0	7
	2015	7	0	0	0	0	0	7
	2016	7	0	0	0	1	1	5

Table No 4

Status of Company-Owned Outlets
For Years 2014-2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Colorado	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Pennsylvania	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	1	0	0	1
Total Outlets	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	1	0	0	2

Table No 5

Projected Openings as of
December 31, 2016 for 2017

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1	1	0
Arizona	0	1	0
California	0	2	0
South Dakota	0	1	0
Texas	0	1	0
Total	1	6	0

The names, addresses and telephone numbers of our current franchisees are attached to this disclosure document as **Exhibit C** Upon your request, we will make available to you information concerning the length of time our franchisees have been in the franchise system and contact information

The name and last known home address and telephone number of every franchisee who has had a Franchise Agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the fiscal year ended December 31, 2016, or who has not communicated with us within 10 weeks of the date of this Franchise Disclosure Document, is listed on **Exhibit C** to this Franchise Disclosure Document If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the franchise system While we encourage you to speak with current and former franchisees, be aware that not all such franchisees will be able to communicate with you

No trademark-specific franchisee organization exists that is associated with the franchise system being offered

ITEM 21
FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document as **Exhibit A** are our audited financial statements for the fiscal years ended December 31, 2016, December 31, 2015, and December 31, 2014 Our fiscal year end is December 31

ITEM 22
CONTRACTS

Attached are the following agreements proposed for use in connection with our offering of franchises

Exhibit

B Franchise Agreement

Attachment A	Area of Primary Responsibility, Initial Franchise Fee, Royalty Calculation, and Projected Opening Date
Attachment B	Guaranty And Assumption Of Franchisee's Obligations
Attachment C	Statement Of Ownership
Attachment D	Collateral Assignment Of Telephone Numbers, Telephone Listings And Internet Addresses
Attachment E	Lease Addendum
Attachment F-1	Pre-Training Prerequisites
Attachment F-2	Post-Training Course
Attachment G	Electronic Payment Authorization
Attachment H	Sample Acknowledgment of Termination and Release Agreement
Attachment I	SBA Addendum

E State-Specific Addenda

H Non-Disclosure and Non-Competition Agreement

ITEM 23
RECEIPTS

On the last two pages of this Franchise Disclosure Document (**Exhibit I**), you will find two copies of the Receipt page You must sign, date, and deliver one copy of the Receipt page to us for our records

DELTA DEVELOPMENT GROUP, INC.

EXHIBIT B

FRANCHISE AGREEMENT

DELTA DEVELOPMENT GROUP, INC.

EXHIBIT B

FRANCHISE AGREEMENT

Franchisee _____

Date _____

Area of Primary Responsibility _____

FRANCHISE AGREEMENT
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ATTACHMENT

Attachment A	Area of Primary Responsibility, Initial Franchise Fee, Royalty Calculation, and Projected Opening Date
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FRANCHISE AGREEMENT

This Franchise Agreement ("**Agreement**") is made this _____ day of _____ 20__, by and between **Delta Development Group, Inc**, a Colorado corporation having its main office at _____, Arvada, CO _____ ("**Franchisor**"), and _____, located at _____ ("**Franchisee**")

RECITALS

WHEREAS, the Franchisor has developed and owns a unique system for opening and operating a Delta Services Business system designed to provide commercial and residential property mitigation, reconstruction, remodeling and consulting services through a uniform system which has high standards of service, uses quality products, operates under the Delta Services Business format created and developed by the Franchisor and which is known as the System ("**System**"),

WHEREAS, the distinguishing characteristics of the System include the name "**DELTA DISASTER SERVICES®**" and other trademarks and trade names, confidential operating procedures, confidential operations manual, standards and specifications for equipment, services and products, and management and marketing programs and sales techniques and strategies All of these distinguishing characteristics may be changed, improved, and further developed by the Franchisor from time to time They are Franchisor's Confidential Information and Trade Secrets and are designated by and identified with the Marks described in this Agreement,

WHEREAS, the Franchisor identifies itself and its services and products by means of certain trade names, service marks, logos, emblems, and indicia of origin, including the trademark "**Delta Disaster Services**," which are now, or may be in the future, designated by the Franchisor in writing for use in connection with the System ("**Marks**"),

WHEREAS, the Franchisor continues to use, develop and control the use of the Marks in order to identify for the public the source of services and products marketed under the System, and which represent the System's high standards of quality, service and customer satisfaction,

WHEREAS, the Franchisee acknowledges the benefits to be derived from being identified with the System, and also recognizes the value of the Marks and the continued uniformity of image to the Franchisee, the Franchisor, and other franchisees of the Franchisor,

WHEREAS, the Franchisee acknowledges the importance to the System of the Franchisor's high and uniform standards of quality, service and customer satisfaction, and further recognizes the necessity of opening and operating a Delta Services Business in conformity with the System ("**Delta Services Business**"),

WHEREAS, the Franchisee recognizes that in order to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on the Franchisee, including strict adherence to the Franchisor's reasonable present and future requirements regarding the types of products sold, services offered, advertising used, operational techniques, marketing and sales strategies and related matters, and

WHEREAS the Franchisee is aware of the foregoing and is desirous of obtaining the right to use the System and in association therewith, the right to use the Marks, and wishes to be assisted, trained, and franchised to operate a Delta Services Business pursuant to the provisions and at the location within the

Area of Primary Responsibility specified in this Agreement, subject to the terms and conditions contained in this Agreement,

The parties therefore agree as follows

DEFINITIONS

For the purposes of this Agreement, the following are hereby defined

(a) "**Agreement**" - means this agreement and all instruments in amendment hereof

(b) "**Affiliate**" – means any person or entity that controls, is controlled by, or is in common control with, the Franchisor

(c) "**Catastrophic Disaster**" – means a disaster of such magnitude that a single franchisee is not capable of providing Services in a time frame and manner sufficient to meet the needs of all customers in the disaster zone, as determined by Franchisor in Franchisor's sole discretion or as defined by the terms of the Operations Manual Catastrophic Disasters include, but are not limited to, wide-spread flooding, hurricanes, earth quakes, blizzards, tornadoes, and other natural disasters and acts of God

(d) "**Confidential Information**" - means all knowledge, know-how, standards, methods and procedures related to the establishment and operation of the Delta Services Business and use of the System and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, Franchisee's Delta Services Business including, without limitation, all databases (whether in print, electronic or other form), all names, addresses, phone numbers, e-mail addresses, customer purchase records, manuals, promotional and marketing materials, marketing strategies and any other data which the Franchisor designates as confidential

(e) "**Delta Disaster Services Franchise**" – shall mean the Delta Services Business operations conducted or to be conducted using the Franchisor's System and in association therewith the Marks

(f) "**Delta Services Business**" - means the business operations conducted or to be conducted by the Franchisee consisting of providing residential and commercial property mitigation and restoration Services, and the sale of related Products, using the Franchisor's System and in association therewith the Marks

(g) "**Franchisor's System**" or "**System**" - means the standards, systems, concepts, identifications, methods, and procedures developed or used by the Franchisor, or which may hereafter be developed or used by the Franchisor, for the sales and marketing of the Franchisor's Products (as defined below) and Services (as defined below)

(h) "**Gross Revenue**" - means the total of all amounts received from customers for Services performed and Products sold from the Franchisee's Delta Services Business, whether such amounts are paid by cash, credit, checks, gift certificates, scrip, coupons, services, property or other means of exchange Gross Revenues include all amounts received from customers for all sales, service, installation, labor, etc related to the operation of the Franchisee's Delta Services Business Gross Revenue does not include employee receipt of Services or Products, if free, or any portion not paid for by an employee

Gross Revenue shall be deemed received by the Franchisee at the time the Franchisee receives payment from the customer for the Services or Products, regardless of whether final payment (e g , collection on a customer's personal check) actually has been received by the Franchisee Gross Revenues

consisting of property or services shall be valued at the retail prices applicable and in effect at the time that they are received

(i) **"Lease"** - means any agreement (whether oral or written) under which the right to occupy the Premises has been obtained, and any amendment made thereto from time to time, including without limitation, any offer to lease, license or lease agreement

(j) **"Marks"** - shall mean the trademark **"Delta Disaster Services®"** to the extent of the Franchisor's rights to same, together with such other trade names, trademarks, symbols, logos, distinctive names, service marks, certification marks, logo designs, insignia or otherwise which may be designated by the Franchisor from time to time as part of the System for use by Franchisees, and not thereafter withdrawn

(k) **"Operations Manual"** - means, but is not limited to, collectively, all directives, books, pamphlets, bulletins, memoranda, order forms, packing slips, invoices, letters, e-mail, Internet or intranet data, or other publications, documents, software programs, video tapes, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of the Franchisor for use by the franchisees generally or for the Franchisee in particular, setting forth information, advice and standards, requirements, operating procedures, instructions or policies relating to the operation of the Delta Services Business or the operation of Delta Disaster Recovery Franchises, as same may be added to, deleted or otherwise amended by the Franchisor from time to time

(l) **"Premises"** - means the premises in respect to which an Delta Disaster Services Franchise has been granted hereunder, including any outside leased or owned location, or any other location as may be mutually agreed upon between Franchisor and Franchisee in writing

(m) **"Products"** - means all supplies, materials and equipment sold, prepared or otherwise dealt with in connection with and all Services performed at or from the leased Premises, at any customer's residence, or in connection with the Delta Services Business and associated with the Marks

(n) **"Services"** – means all services sold, prepared or otherwise dealt with in connection with Delta Services Business including, but not limited to, water damage mitigation and restoration, fire damage mitigation and restoration, emergency cleaning and repairs, board-up services, professional estimation services, odor elimination, dehumidification and drying, mold remediation, asbestos abatement, debris removal, temporary power, shoring/selective demolition, full inventory and pack-out services, secure, climate-controlled content storage, electronic restoration, fine art recovery, document restoration, digital thermal infrared imaging, environmental consultation, licensed general contractor services, and all services performed at or from the Premises or in connection with the Delta Services Business

(o) **"Trade Secret(s)"** – shall mean information, including any formula, pattern, compilation, program, device, method, technique or process related to the System that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy

1 COVENANTS, REPRESENTATIONS, AND WARRANTIES OF THE FRANCHISEE

The Franchisee covenants, represents and warrants as follows and acknowledges that the Franchisor is relying upon such covenants, representations and warranties in making its decision to enter into this Agreement

1 1 The Franchisee acknowledges that it has received, has had ample time to read, and has read this Agreement, and all related agreements with the Franchisor The Franchisee acknowledges that the Franchisor has advised him to obtain independent legal and accounting advice with respect to this Agreement and the transactions arising out of this Agreement The Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal, accounting and other professional advisors of its own choosing regarding all pertinent aspects of the Delta Services Business, the Franchisor and this Agreement

1 2 The Franchisee has, or has made firm arrangements to acquire funds to commence, open and operate the Delta Services Business and it is financially and otherwise able to accept the risks attendant upon entering into this Agreement

1 3 All statements made by the Franchisee in writing in connection with its application for this franchise were, to the best of its knowledge, true when made and continue to be true as of the date of this Agreement

1 4 There are no material financial obligations of the Franchisee whether actual or contingent which are outstanding as of the date of this Agreement other than those disclosed to the Franchisor by the Franchisee in writing

1 5 The Franchisee is not a party to or subject to any court or administrative order or action of any governmental authority, which would limit or interfere in any way with the performance by the Franchisee of its obligation hereunder

1 6 The Franchisee is not a party to any litigation or legal proceedings other than those which have been disclosed to the Franchisor by the Franchisee in writing

1 7 The Franchisee represents that it is not a party to or subject to agreements that might conflict with the terms of this Agreement and agrees not to enter into any conflicting agreements during the Initial Term or any Interim Period

1 8 The Franchisee agrees and acknowledges that it has not been induced to enter into this Agreement in reliance upon, nor as a result of, any statements, representations, warranties, conditions, covenants, promises or inducements, whatsoever, whether oral or written, and whether directly related to the contents hereof or collateral thereto, made by the Franchisor, its officers, directors, agents, employees or contractors except as provided herein The Franchisee acknowledges that the Franchise has been granted in reliance upon the information supplied to the Franchisor in the Franchisee's application for a Franchise

1 9 Franchisee and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below) In connection with such compliance, Franchisee and its owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws

(a) Franchisee and its owners certify that none of them, their respective employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (which can be accessed at *http //www treasury gov/offices/enforcement/ofac/legal/eo/13224 pdf*) Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex

(b) Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, their employees, or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224

(c) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 1 9

(d) Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, agents, its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or any of Franchisor's Affiliates

(e) "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U S Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U S Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U S Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control and any government agency outside the U S) addressing or in any way relating to terrorist acts and/or acts of war

2 GRANT OF LICENSE

2 1 Subject to all the terms and conditions of this Agreement, the Franchisor hereby grants to the Franchisee, and the Franchisee accepts, for the Initial Term of this Agreement and any Interim Period the right and non-exclusive license ("**License**") to

(a) Operate a Delta Services Business upon the terms and conditions of this Agreement, in one (1) territorial area ("**Area of Primary Responsibility**") and at one location described in **Attachment A**,

(b) Use the Marks and the System, and

(c) Offer and market only the Franchisor's approved Services and Products, unless the Franchisor approves in writing (such approval to be in the Franchisor's sole and absolute discretion) the Franchisee's request to offer and market complementary and non-competing services or products

2 2 The License does not include the right to sell the Products to any vendor who would in turn sell to consumers or other businesses

2 3 The Franchisee recognizes that variations and additions to the System may be required from time to time in order to preserve and/or enhance the System Therefore, the Franchisor expressly reserves the right to add to, subtract from, revise, modify or change from time to time the System or any part thereof, and the Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and to make such reasonable expenditures as may be necessary to comply pursuant to Section 8

2 4 Franchisee recognizes that the rights that are granted to the Franchisee are for the specific Area of Primary Responsibility, defined in Section 4 1 below and no other, and cannot be transferred to an alternate Area of Primary Responsibility, without the prior written approval of the Franchisor, which approval may be granted or withheld in Franchisor's sole discretion

3 TERM OF THE AGREEMENT AND LICENSE

3 1 This Agreement and the License granted shall continue for a period of ten (10) years ("**Initial Term**") This Initial Term shall begin on the date this Agreement is executed by the Franchisor, subject, however, to termination in accordance with the provisions of this Agreement When the Initial Term and any Interim Period expires the Franchisee shall have the option to extend the Franchisee's rights to operate the Delta Services Business for one (1) additional term ("**Successor Term**"),of ten (10) years or such length of term as Franchisor is offering to new franchisees at the time the Successor Term commences The Franchisee must pay the successor franchise fee ("**Successor Franchise Fee**") set out in Section 3 4(b)

3 2 The Franchisor may refuse to extend Franchisee's rights to operate the Delta Services Business if the Franchisee

(a) Has failed to remedy any breach of this Agreement specified by the Franchisor in a written notice to the Franchisee as per Section 17 1 or 17 2, or

(b) Has committed and received notice of two or more breaches of this Agreement in the twenty-four (24) months prior to the end of the Initial Term, even if such breaches were timely remedied, or

(c) Has failed to meet the Minimum Annual Sales Quota for any year after the first year of the Initial Term, as set out in Section 4 6, or

(d) Has failed to give the Franchisor a written notice of intent to extend its rights to operate the Delta Services Business no less than nine (9) months nor more than twelve (12) months prior to expiration of the Initial Term, or

(e) Franchisee is not current in payment obligations to the Franchisor, any Affiliate of Franchisor, or to the Franchisee's trade creditors

3 3 If Franchisor opts to extend Franchisee's rights to operate the Delta Services Business at the end of the Initial Term, the Franchisee shall execute a new franchise agreement ("**Successor Franchise Agreement**") and all other legal agreements in the form then being used by the Franchisor in granting new franchises and pay the Successor Franchise Fee (See Section 3 4(b)) Franchisor reserves the right to change any term(s) of the Successor Franchise Agreement form (except as specified below) to be signed by Franchisee upon the extension of Franchisee's rights to operate the Delta Services Business There shall not, however, be another Initial Franchise Fee charged in connection with the extension of Franchisee's rights to operate the Delta Services Business IN FRANCHISOR'S SOLE DETERMINATION, THE FRANCHISEE MAY BE DEEMED TO HAVE IRREVOCABLY DECLINED TO EXTEND

FRANCHISEE'S RIGHTS TO OPERATE THE FRANCHISE (AND ITS OPTION SHALL THEREUPON TERMINATE) IF IT FAILS TO EXECUTE AND RETURN TO THE FRANCHISOR THE SUCCESSOR FRANCHISE AGREEMENT AND OTHER DOCUMENTS REQUIRED BY THE FRANCHISOR WITHIN THIRTY (30) DAYS AFTER THEIR DELIVERY TO THE FRANCHISEE, OR FAILS TO COMPLY IN ANY OTHER WAY WITH THE PROVISIONS OF THIS SECTION 3

3 4 As additional conditions to the extension of Franchisee's rights to operate the Delta Services Business, the Franchisee may be required to

(a) Execute a general release of all claims the Franchisee may have against the Franchisor, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities This release shall include all claims arising under any federal, state, or local law, rule, or ordinance arising out of or concerning this Agreement (to the fullest extent permitted by law) and shall be in a form satisfactory to the Franchisor,

(b) Pay the Successor Franchise Fee of ten percent (10%) of the then current Initial Franchise Fee, which is due and payable to the Franchisor at the time of signing the Successor Franchise Agreement,

(c) Agree to give the Franchisor not less than six (6) months nor more than nine (9) months prior written notice of the Franchisee's election to extend its rights to operate the Delta Services Business (or not to extend) this Agreement and License Failure to give timely notice of the Franchisee's intention to extend its rights to operate the Delta Services Business shall be deemed an election not to extend Franchisee's rights to operate the Delta Services Business,

(d) Utilize Franchisor's proprietary database management and intranet system as modified periodically by Franchisor, and purchase all required computer hardware, software, and other equipment required to meet Franchisor's then current standards,

(e) Upgrade Franchisee's vehicles ("**Disaster Recovery Vehicles**") to Franchisor's current standards, including utilizing Franchisor's current vehicle signage,

(f) Upgrade Franchisee's Premises and the trade dress and image associated with all equipment, uniforms, and any other items displaying the Marks to Franchisor's current standards,

(g) Offer Franchisor's current warranty to all new customers and continue to provide warranty to services to existing and former customers as required by the Operations Manual,

(h) Accept all major credit cards as a form of payment, and such other forms of payment as specified by Franchisor in the Operations Manual,

(i) Comply with all other provisions contained in the Operations Manual, as modified periodically by Franchisor in Franchisor's sole discretion,

(j) Attend, and ensure that the Operating Partner and all relevant employees attend, all required refresher training and certification courses, and

(k) Provide proof of current licenses, insurance and permits

3 5 If Franchisee does not sign a Successor Franchise Agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement,

then at the option of Franchisor, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights, or (ii) continued on a month-to-month basis ("**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period

4 AREA OF PRIMARY RESPONSIBILITY

4 1 During the Initial Term and for so long as the Franchisee is in compliance with all of its obligations hereunder, except as otherwise provided in this Agreement, and subject to the Franchisor's reservation of rights as set forth in Section 4 2 and as provided in Section 4 5 below, neither the Franchisor nor any Affiliate will establish or license another person or entity to establish a Delta Services Business within the Area of Primary Responsibility encompassed by the boundaries set forth in **Attachment A**, attached hereto and incorporated herein by reference Except as otherwise specifically provided in this Agreement, this Agreement does not restrict the Franchisor or its Affiliates and does not grant rights to the Franchisee to pursue any of Franchisor's or its Affiliates other business concepts other than the Delta Services Business

4 2 Franchisee shall also have the right, in conjunction with other franchisees operating in the geographic area encompassing Franchisee's Area of Primary Responsibility, to participate in home shows, provide educational programming, and engage in other collective marketing efforts outside of Franchisee's Area of Primary Responsibility, provided such efforts are conducted in accordance with Franchisor's requirements as set forth in the Operations Manual

4 3 The Franchisee acknowledges that the Franchise granted hereunder is non-exclusive and that the Franchisor and its Affiliates retain the exclusive right, among others

(a) to use, and to license others to use, the Marks and System for the operation of Delta Services Businesses at any location other than in the Area of Primary Responsibility, regardless of proximity to the Area of Primary Responsibility,

(b) to use the Marks and the System in connection with the provision of other services and products or in alternative channels of distribution such as those described in Section 4 2(c), without regard to location,

(c) to use and license the use of the System and other proprietary marks or methods which are not the same as or confusingly similar to the Marks at any location, including within the Area of Primary Responsibility, which may be the same as, similar to or different from the Delta Services Businesses,

(d) to use and license the use of the Marks and the System in alternative channels of distribution including, without limitation, wholesalers, retail outlets, Internet commerce, or other distribution outlets, which may be the same as, similar to or different from the Residential Disaster Recovery,

(e) to establish or maintain any web sites utilizing a domain name incorporating one or more of the words "**Delta**," "**Disaster**" and "**Services**," or similar derivatives thereof Franchisee may not independently market on the Internet, or use any social networking site or

account, domain name, address, locator, link, metatag, or search technique, with words or symbols similar to the Marks or otherwise establish any presence on the Internet without Franchisor's prior written approval Franchisor retains the sole right to market on the Internet, including all use of web sites, domain names, URLs, linking, advertising, directory accesses, metatags, social networking, co-branding and other arrangements If required by Franchisor, Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and will sign Internet and intranet usage agreements,

(f) to permit another franchisee to provide Services or sell Products to one or more customers in Franchisee's Area of Primary Responsibility in the event that Franchisee notifies Franchisor, or Franchisor determines in its sole and absolute discretion, that Franchisee is unable to provide Services or sell Products to a particular customer or customers in a timely basis as required by the Operations Manual or in the event of a Catastrophic Disaster,

(g) to acquire Delta Services Businesses that are the same as or similar to the Delta Services Business and operate such Delta Services Businesses regardless of where such Delta Services Businesses are located, including inside the Area of Primary Responsibility, and to be acquired by any third party which operates Delta Services Businesses that are the same as or similar to the Delta Services Business regardless of where such Delta Services Businesses are located, including inside the Area of Primary Responsibility, and

(h) to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to customers anywhere Franchisor reserves the right to issue mandatory policies to coordinate such multi-area marketing programs

4 4 Franchisee may be granted, at Franchisor's sole discretion, express permission to sell or service customers in an unsold Area of Primary Responsibility adjacent to Franchisee's Area of Primary Responsibility ("**Adjacent Area of Primary Responsibility**"), provided that Franchisee agrees that when the Adjacent Area of Primary Responsibility is granted to another franchisee by Franchisor, Franchisee will, upon receipt of written notice from Franchisor, cease all its sales and service efforts within the Adjacent Area of Primary Responsibility and return all customer and prospect lists to Franchisor within ten (10) days of such notice Franchisee shall report Gross Revenues from sales in an Adjacent Area of Primary Responsibility on a separate reporting form Franchisee will pay the Royalty Fee, Individual Advertising Expense, National Marketing Fee, and Warranty Fund Contribution for sales in the Adjacent Area of Primary Responsibility Franchisee acknowledges and agrees that Franchisee may only provide Services and Products in an Adjacent Area of Primary Responsibility if Franchisee maintains all required licenses and permits required to operate in such Adjacent Area of Primary Responsibility, including a valid general contractor's license, at the time Franchisee requests permission to service customers and at any time Franchisee provides Services or Products to Customers in such Adjacent Area of Primary Responsibility

4 5 Franchisee may also be granted express permission by Franchisor, in Franchisor's sole discretion, to provide Services to a customer located outside of Franchisee's Area of Primary Responsibility if the franchisee owning the Area of Primary Responsibility is not able to provide Services or sell Products to customers in that Area of Primary Responsibility in a timely and efficient manner as required by the terms of the Operations Manual or in the case of a Catastrophic Disaster Franchisee shall report Gross Revenues from permitted sales made outside of Franchisee's Area of Primary Responsibility on a separate reporting form Franchisee will pay the Royalty Fee, Individual Advertising Expense, National Marketing Fee, Warranty Fund Contribution for permitted sales made outside of Franchisee's Area of Primary Responsibility

4 6 In order to maintain the Area of Primary Responsibility, Franchisee must meet the Minimum Annual Sales Quota each year after the first year of the Initial Term There is no Minimum Annual Sales Quota in the first year of the Initial Term The Minimum Annual Sales Quota is as follows

Year of Operation	Minimum Annual Sales Quota
2	$850,000
3	$1,000,000
4	$1,225,000
5	$1,350,000

Franchisee's failure to satisfy the Minimum Annual Sales Quota may result in the reduction or elimination of the Franchisee's Area of Primary Responsibility or the termination of this Agreement, in Franchisor's sole discretion

5 FRANCHISE FEE, ROYALTIES, AND OTHER FEES

5 1 Upon execution of this Agreement, Franchisee shall pay the following

(a) The sum of set forth on **Attachment A** plus, if due and payable, all applicable federal, state or municipal taxes, as a non-recurring and non-refundable (subject to Section 5 2) initial franchise fee ("**Initial Franchise Fee**") per Area of Primary Responsibility to the Franchisor upon the execution of this Agreement

(b) If Franchisor grants to Franchisee an Area of Primary Responsibility larger than 300,000 residents, then Franchisee shall pay the sum set forth on **Attachment A** corresponding to the supplemental territory fee ("**Supplemental Territory Fee**"), which shall be equal to $ 05 per additional person in the Area of Primary Responsibility

(c) A lump sum technology package fee ("**Technology Package Fee**") in the amount of $15,000 relating to the functionality of the Xactimate software and Franchisee's email account, franchisee website, and search engine optimization services

(d) The Initial Franchise Fee, Supplemental Territory Fee (if applicable), and Technology Package Fee shall be paid by means of certified funds or a bank check The Initial Franchise Fee, Supplemental Territory Fee (if applicable), and Technology Package Fee shall be deemed to have been fully earned by the Franchisor when paid

5 2 The Initial Franchise Fee and Supplemental Territory Fee (if applicable) are non-refundable for any reason once paid

5 3 Royalties

(a) Franchisee shall pay to Franchisor a monthly royalty fee ("**Royalty Fee**") equal to the greater of the minimum royalty set forth below ("**Minimum Royalty**") or the royalty fee set forth on **Attachment A** on all Gross Revenue generated by Franchisee for such month or partial month The Minimum Royalty due to Franchisor shall be Zero Dollars ($0) per month for the first six (6) months after Franchisee commences operations, Two Thousand Dollars ($2,000) per month for the remainder of the first year of the Initial Term, Three Thousand Five Hundred Dollars ($3,500) per month for the second year of the Initial Term, Four Thousand Dollars ($4,000) per

month for the third year of the Initial Term, Five Thousand Dollars ($5,000) per month for the fourth year of the Initial Term, and Five Thousand Five Hundred Dollars ($5,500) for the remainder of the Initial Term and any Successor Term of this Agreement The Royalty Fee shall be deducted electronically from Franchisee's bank account on the sixth (6th) day of each month for the preceding calendar month and shall be payable through the entire Initial Term and any Interim Period of this Agreement Franchisee shall pay the Royalty Fee monthly or in such other frequency as the Franchisor may in its sole discretion require upon written notice to the Franchisee by the Franchisor Each Royalty Fee is non-refundable once paid Franchisee shall not subordinate to any other obligation its obligation to pay the Royalty Fee or any other fee or charge hereunder Franchisee's obligation to pay Franchisor the Royalty Fee will commence ninety (90) days after Franchisee commences operations In the event that the Franchisee receives payment from a customer after the termination or expiration of the Initial Term and any Interim Period for Services or Products sold by the Franchisee during such Initial Term or Interim Period, as the case may be ("**Post-Term Payment**"), the Franchisee agrees to pay to the Franchisor the applicable Royalty Fee corresponding to any such Post-Term Payments as soon as possible after collecting such Post-Term Payment from any such customer

(b) Each Royalty Fee payment shall be, without exception, preceded by a statement ("**Gross Revenue Report**") of the previous month's Gross Revenues on a form approved and provided to the Franchisee by the Franchisor The Gross Revenue Report must be delivered electronically to Franchisor on or before the close of business on the fifth (5th) day of each month **Each failure to submit a fully completed Gross Revenue Report by the fifth (5th) day of each month shall constitute a material breach of this Agreement**

(c) Franchisee shall remit fees and other amounts due to Franchisor hereunder via electronic funds transfer ("**EFT**") or other similar means utilizing a Franchisor approved computer system or otherwise The EFT Authorization is attached to the Franchise Agreement as **Attachment G** Franchisee agrees to comply with procedures specified by the Franchisor and/or perform such acts and deliver and execute such documents, including authorization for direct debits from the Franchisee's Delta Services Business bank operating account, as may be necessary to assist in or accomplish payment by such method Under this procedure Franchisee shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to Franchisor and any interest charged due thereon Franchisee shall make funds available to the Franchisor for withdrawal by electronic transfer no later than the sixth (6th) day of each month or the due date for payment therefore If Franchisee has not timely reported the Gross Revenues to Franchisor for any reporting period, then Franchisor shall be authorized, at Franchisor's option, to debit Franchisee's account in an amount equal to (a) the fees transferred from the Franchisee's account for the last reporting period for which a Gross Revenue Report was provided to the Franchisor as required hereunder, (b) the Minimum Royalty, National Marketing Fee and Warranty Fund Contribution, or (c) the amount due based on information retrieved from the Franchisor approved computer system

5 4 Franchisee shall pay, at the same time and in the same manner as Franchisee pays its Royalty Fees, a contribution to Franchisor's warranty fund ("**Warranty Fund**") equal to one percent (1%) of the Gross Revenue generated by Franchisee for such month or partial month ("**Warranty Fund Contribution**") The total Warranty Fund Contribution made by Franchisee shall be capped at such amount as is set forth in the Operations Manual ("**Warranty Fund Cap**") Franchisee acknowledges and agrees that Franchisor has the right to adjust the Warranty Fund Cap at any time, in Franchisor's sole discretion, by giving Franchisee thirty (30) days advanced written notice of the new Warranty Fund Cap Each Warranty Fund Contribution is non-refundable once paid Franchisee shall not subordinate to any other obligation its obligation to pay the Warranty Fund Contribution or any other fee or charge hereunder

Franchisee's obligation to pay Franchisor the Warranty Fund Contribution will commence on the second anniversary of the date Franchisee commences operations

5 5 Franchisee shall also pay to Franchisor, at the same time and in the same manner that Franchisee pays Royalties, a technology support fee ("**Technology Support Fee**") of Two Hundred Ninety Nine Dollars ($299), or such other amount as Franchisor determines in Franchisor's sole discretion, for purposes of defraying the cost of providing technology support to Franchisee Franchisor shall be entitled to use the Technology Support Fee in any way it determines necessary or desirable in supporting and developing technology used in the System The Technology Support Fee is non-refundable for any reason once paid

5 6 Franchisor shall have the right, upon thirty (30) days advance written notice to Franchisee, to establish a Call Center in accordance with Section 7 3(l) and to implement a call center fee ("**Call Center Fee**") When imposed by Franchisor, Franchisee shall pay to Franchisor, at the same time and in the same manner that Franchisee pays Royalty Fees, the Call Center Fee as set forth in the Operations Manual, or such other amount as Franchisor determines in Franchisor's sole discretion, for purposes of defraying the cost of providing Call Center support to Franchisee Franchisor shall be entitled to use the Call Center Fee in any way it determines necessary or desirable in to establish and operate a Call Center designed to support the System The Call Center Fee is non-refundable for any reason once paid

5 7 If Franchisee is unable to operate due to damage or loss to Franchisee's Premises caused or created by a casualty, act of God, condemnation, or other condition over which Franchisee has no control, then Franchisor, in its sole discretion, may elect to waive the Royalty Fee for a period no greater than one hundred twenty (120) days commencing with the month in which Franchisee gives Franchisor notice of the damage or loss

6 ACCOUNTING, RECORDS, AUDITS AND LATE PAYMENT CHARGES

6 1 Franchisee shall keep such complete records of its Delta Services Business as a prudent and careful businessperson would normally keep Franchisee shall keep its financial books and records as Franchisor may from time to time direct in the Operations Manual or otherwise, including retention of all invoices, order forms, payroll records, cash register tapes, checks records, bank deposit receipts, sales tax records and returns, cash disbursements journals, general ledgers, contractor contracts and documentation, estimates, draw agreements, supplements, and change orders Franchisee shall advise Franchisor of the location of all original documents and shall not destroy any records without the written consent of the Franchisor

6 2 Franchisee shall prepare on a current basis, complete and accurate records concerning all financial, marketing and other operating aspects of the Delta Services Business conducted under this Agreement Franchisee shall maintain an accounting system which accurately reflects all operational aspects of the Delta Services Business including uniform reports as may be required by Franchisor in accordance with the Operations Manual Franchisee's records shall include tax returns, daily reports, statements of Gross Revenues (to be prepared each month for the preceding month), profit and loss statements (to be prepared at least quarterly by an independent Certified Public Accountant), sales tax information and balance sheets (to be prepared at least annually by an independent Certified Public Accountant) Franchisee shall also provide password access to all third-party claims management portals Copies of all monthly production reports shall be included in the monthly reports required to be filed by Franchisee

6 3 Franchisee shall also submit to Franchisor current financial statements and other reports, including sales tax records, as Franchisor may reasonably request to evaluate or compile research and

performance data on any operational aspect of the Delta Services Business Franchisee shall submit profit and loss statements to Franchisor once each quarter in a time frame determined by Franchisor, in Franchisor's sole discretion On or before April 15 of each year, Franchisee shall provide Franchisor with a copy of its federal tax return for the previous tax year

6 4 The records required under this Section 6 pertain only to the Franchisee's operation of the Delta Services Business Franchisor has no right to inspect, audit or copy the records of any unrelated Delta Services Business activity Franchisee may have Franchisee shall keep the books and records of the Delta Services Business separate from the records of any unrelated business activity

6 5 From the date Franchisee and Franchisor sign this Agreement until three (3) years after the end of the Initial Term of this Agreement including any Interim Period, Franchisor or Franchisor's authorized agent shall have the right to request, receive, inspect and audit any of the records referred to above wherever they may be located Franchisor agrees to do inspections and audits at reasonable times Franchisee agrees to keep all records and reports for six years from the date such records are created Should any inspection or audit disclose a deficiency in the payment of any Royalty Fee, National Marketing Fee, Call Center Fee, Technology Support Fee, Warranty Fund Contribution or other amounts required to be paid under this Agreement, Franchisee shall immediately pay the deficiency to Franchisor, without prejudice to any other remedy of Franchisor under this Agreement In addition, if the deficiency for any audit period equals or exceeds two percent (2%) or more of the correct amount of any Royalty Fee, National Marketing Fee, Call Center Fee, Technology Support Fee, Warranty Fund Contribution or other amounts due, Franchisee will also immediately pay to Franchisor the entire cost of the inspection or audit including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel For the purposes of this Section 6 5, an audit period will be each fiscal year Should the audit disclose an overpayment of any Royalty Fees, National Marketing Fees, Call Center Fees, Technology Support Fees, Warranty Fund Contributions or other amounts due, the Franchisor shall credit the amount of the overpayment to Franchisee's payments of Royalty Fees and National Marketing Fees next falling due

6 6 If Franchisee's records and procedures are insufficient to permit a proper determination of Gross Revenues, Franchisor shall have the right to either require Franchisee to pay the Minimum Royalty or deliver to the Franchisee an estimate, made by Franchisor, of Gross Revenues for the period under consideration and Franchisee shall immediately pay to the Franchisor any amount shown thereby to be owing on account of the Royalty Fee, National Marketing Fee and other sums due on account of such understatement Any such estimate shall be final and binding upon Franchisee

6 7 To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments or insufficient funds notices received by Franchisee's bank, Franchisee shall also pay, upon demand, a late fee in the amount of One Hundred Dollars ($100) and interest equal to the lesser of (i) one and one-half percent (1 5%) per month, or (ii) the highest legal rate permitted by applicable law, whichever is lower, on all payments due to Franchisor during the period of time said payments are due and unpaid Each failure to pay Royalty Fees, National Marketing Fees, Call Center Fees, Technology Support Fees, Warranty Fund Contributions, and other amounts payable to Franchisor when due shall constitute a material breach of this Agreement Franchisee acknowledges that this Section 6 7 shall not constitute Franchisor's agreement to accept such payments after the same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of the Delta Services Business Further, Franchisee acknowledges that failure to pay all such amounts when due shall, notwithstanding the provisions of this Section 6 7, constitutes grounds for termination of this Agreement, as provided in this Agreement

6 8 Any report of Franchisor's auditor rendered from time to time pursuant to this Section 6 shall be final and binding upon all of the parties hereto

6 9 Franchisor shall also have the right to audit Franchisee's subcontractor records to ensure that Franchisee is engaging and doing business with subcontractors in accordance with Franchisor's specifications and requirements as set forth in the Operations Manual

6 10 Franchisee hereby authorizes Franchisor to make reasonable inquiries of Franchisee's subcontractors, bank, suppliers and trade creditors concerning the Delta Services Business and hereby directs such persons and companies to provide to Franchisor such information and copies of documents pertaining to the Delta Services Business as Franchisor may request

6 11 The Franchisee acknowledges and agrees that the Franchisor owns all Delta Services Business records ("**Business Records**") with respect to customers and other service professionals of, and/or related to, the Delta Services Business including, without limitation, all communications and databases (whether in print, electronic or other form), including all names, addresses, telephone numbers, e-mail addresses, customer purchase records, contractor engagement records, and all other records contained in the database, all information and records contained in the various software listed in the Operations Manual, including but not limited to Xactimate software, Quickbooks Premier Contractor software, other related Quickbooks software, Intuit Assisted Payroll, T-Sheets time tracking, Franchisor's proprietary Delta Management software, other software listed in the Operations Manual, and all other Delta Services Business Records created and maintained by Franchisee Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access (directly or through a third party) such Delta Services Business Records, as well as Franchisee's operating-level financial records and communications, and may utilize, transfer, or analyze such Delta Services Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion

6 12 To encourage prompt delivery of all Delta Services Business Records, Certificates of Insurance, Gross Revenue statements and any other documentation or record that may be requested by Franchisor under this Agreement, Franchisee shall pay, upon demand, a late report fee in the amount of One Hundred Dollars ($100) per record or document requested if Franchisee fails to deliver such record or document when due

7 SERVICES AND ASSISTANCE

7 1 The Initial Franchise Fee and Royalty Fees are paid for the License, which includes the use of the Marks of the Franchisor, the use of Franchisor's Trade Secrets, and for certain services rendered by Franchisor

7 2 Franchisor shall offer Franchisee initial and continuing services as Franchisor deems necessary or advisable in furthering the Franchisee's Delta Services Business and the Delta Services Business of the System as a whole and in connection with protecting the Marks and goodwill of the Franchisor Failure by the Franchisor to provide any particular service, either initial or continuing, shall not excuse the Franchisee from any of its obligations under this Agreement

7 3 Currently, initial and continuing services provided by the Franchisor shall include

(a) Designating Franchisee's Area of Primary Responsibility as stipulated in Section 2 as stipulated in **Attachment A**

(b) Furnishing Franchisee with specifications for all initial and replacement Disaster Recovery Vehicles, equipment, inventory and supplies required for the operation of the Franchisee's Delta Services Business as stipulated in Section 8

(c) Providing Franchisee or Franchisee's Operating Partner, and such other designated employees ("**Designated Employees**"), as defined in the Operations Manual, with an initial training program, as more specifically defined in the Operations Manual Franchisee or its Operating Partner and the Designated Employees shall each attend and satisfactorily complete the initial training program prior to opening the Delta Services Business The initial training program shall be conducted no later than sixty (60) days prior to opening of Franchisee's Delta Services Business Franchisee will pay for travel, lodging and meals for Franchisee and the Designated Employees incurred for attending the initial training program Franchisee is also responsible for all other charges and costs incurred by itself or any other of its attendees participating in the initial training program The initial training program shall be held at the Franchisor's facilities at Arvada, Colorado (or other location designated by the Franchisor) and shall be conducted over a period lasting up to fifteen (15) days Training shall consist of a discussion of the System, techniques, procedures, installation and methods of operation, advertising, sales techniques, promotional ideas, marketing plans, customer relations, instructions on quality standards and practical experience in the operation of a franchise Prior to scheduling training, Franchisee and, where required, Franchisee's Designated Employees must first complete the Pre-Training Prerequisites and obtain the Pre-Training Certifications in accordance with Section 8 4 (b) of this Agreement Franchisee acknowledges and agrees that Franchisee shall be deemed fully trained and ready to open for business if Franchisee and its Designated Employees each complete the Pre-Training Prerequisites and the initial training program to Franchisor's satisfaction and obtain the Pre-Training Certification as required by this Agreement, provided, however, Franchisee further acknowledges that Franchisee is also required to complete the Post-Training Course and obtain the Post-Training Certification in accordance with Section 8 4 (b) of this Agreement

(d) Franchisor may provide Franchisee with up to two (2) days of on-site assistance, in Franchisor's sole discretion, at Franchisee's location The initial visit may occur no later than forty-five (45) days after Franchisee commences operation of the Delta Services Business

(e) Providing Franchisee with additional on-site visits at Franchisee's reasonable request or if such assistance is determined to be necessary in Franchisor's discretion If Franchisee requests such assistance, or such assistance is required by Franchisor, Franchisee shall pay Franchisor's travel expenses and the current daily per-diem fee as set forth in the Operations Manual

(f) Franchisor shall make a representative reasonably available to speak with Franchisee on the telephone during normal business hours to discuss Franchisee's operational issues

(g) Providing Franchisee with additional mandatory on-going training services as more fully set forth in the Operations Manual Franchisee's and Franchisee's employees shall attend such training at Franchisee's expense, including the cost of tuition, registration fees, travel, living expenses, and employee wages

(h) Franchisor may hold annual or other periodic conferences to discuss sales techniques, disaster recovery techniques, new product developments, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures There may be a conference fee, and Franchisee must pay all its travel and living expenses These conferences are held at the Franchisor's Arvada, Colorado headquarters or at a location chosen by the Franchisor, and Franchisee or its Operating Partner are required to attend all such conferences

(i) Formulating advertising and promotional programs as further stipulated in Section 11

(j) Developing new Service and Product methods, as deemed beneficial in the sole discretion of Franchisor for the successful operation of the System Franchisee will be informed of any new Product or Service development

(k) Loaning Franchisee during the Initial Term (including any Interim Period) one (1) copy of the Franchisor's confidential Operations Manual containing mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by Franchisor as further stipulated in this Section 7, and containing information relative to other obligations of Franchisee hereunder All such specifications, standards and operating procedures shall be consistent with this Agreement and all applicable laws Specifications, standards and operating procedures prescribed from time to time by Franchisor in the Operations Manual or otherwise communicated to Franchisee in writing shall constitute provisions of this Agreement as if fully set forth herein Franchisee shall operate the Delta Services Business strictly in accordance with the Operations Manual Failure to comply with the standards set forth in the Operations Manual shall constitute a material breach of this Agreement Franchisor reserves the right to provide the Operations Manual and updates to the Operations Manual in electronic form or other form determined by Franchisor

(i) Franchisor shall have the right to add to, and otherwise modify, the Operations Manual from time to time to reflect changes in authorized Services and Products, Delta Services Business image or the operation of the Delta Services Business, provided, however, no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement Some of the revisions to the Operations Manual presently contemplated include changes with respect to

1 sales and marketing strategies,
2 equipment and supplies,
3 accounting and reporting systems and forms,
4 insurance requirements,
5 operating procedures,
6 Services, and
7 Products

(ii) Franchisee covenants to accept, implement and adopt any such reasonable modifications at its own cost, except as provided in Section 10 3 hereof concerning a change in the Marks Franchisee shall keep its Operations Manual with replacement pages and insertions as instructed by Franchisor

(iii) Franchisee hereby acknowledges that the Operations Manual is loaned to Franchisee and shall at all times remain the sole and exclusive property of Franchisor, and upon termination of this Agreement for any reason whatsoever, Franchisee shall forthwith return the Operations Manual together with all copies of any portion of the Operations Manual which Franchisee may have made, to Franchisor

(iv) Franchisee acknowledges and agrees that the master copy of the Operations Manual will be maintained by Franchisor at Franchisor's headquarters

and shall control at all times in the event of a dispute between Franchisor and Franchisee regarding the content of the Operations Manual

(l) Franchisor shall have the right, upon thirty days (30) advanced written notice to Franchisee to establish a call center ("**Call Center**") for purposes of answering calls placed to Franchisor's toll-free number and allocating calls among franchisees If instituted, Franchisor shall be entitled to charge Franchise a Call Center Fee in accordance with Section 5 6

(m) Providing Franchisee, Franchisee's Operating Partner, or any Designated Employee with ongoing or remedial training, as required by Franchisor in Franchisor's sole discretion Franchisee will be required to pay Franchisor a reasonable training fee in accordance with the rates established from time to time in the Operations Manual for such training, and Franchisee will also be responsible for paying (or reimbursing Franchisor within ten (10) days of receiving an invoice) all wages and travel, living and other costs associated with such training, which may include costs incurred by Franchisor to send one or more trainers to Franchisee's Premises or into Franchisee's Area of Primary Responsibility

(n) Providing Franchisee with a copy of Franchisor's monthly newsletter, if published

7 4 In the event that Franchisor determines that it is necessary for it to provide additional services to Franchisee in order to keep the System competitive, Franchisor may charge the Franchisee a reasonable fee for such additional services

7 5 If Franchisee believes Franchisor has failed to adequately provide pre-opening services to Franchisee as provided in this Agreement, including Section 7 3, Franchisee shall notify Franchisor in writing within thirty (30) days following the opening of the Delta Services Business Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by Franchisor were sufficient and satisfactory in Franchisee's judgment

7 6 Franchisor is not obligated to perform services set forth in this Agreement to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment Franchisor does not represent or warrant that any other services will be provided to Franchisee, other than as set forth in this Agreement To the extent any other services, or any specific level or quality of service is expected, Franchisee must obtain a commitment to provide such service or level of service in writing signed by an authorized officer of Franchisor, otherwise Franchisor shall not be obligated to provide any other services or specific level or quality of services

8 FRANCHISEE'S DUTIES, OBLIGATIONS AND OPERATING STANDARDS

8 1 Franchisee shall, consistent with the terms of this Agreement, diligently develop the Delta Services Business and use its best efforts to market and promote the required Services and Products

8 2 Subject to the terms of this Agreement, Franchisee shall open the Delta Services Business on or before the projected opening date ("**Projected Opening Date**") set forth on **Attachment A**, but in no event more than six (6) months from the effective date of this Agreement, unless Franchisee obtains Franchisor's express written permission to extend the Projected Opening Date, which permission may be granted or denied in Franchisor's sole discretion

8 3 Franchisee shall complete the construction of Franchisee's Premises, and shall maintain the Premises, in accordance with the following requirements

(a) Franchisee shall, at Franchisee's sole cost and expense, complete the interior build-out and install all trade dress, equipment, furniture, fixtures, and security system as specified by Franchisor in the Operations Manual, and required by this Agreement

(b) Franchisee acknowledges and agrees that Franchisee may not operate the Delta Services Business from Franchisee's home, and must instead operate from an approved commercial facility With Franchisor's prior written approval, Franchisee may operate from an existing facility if such facility meets Franchisor's standards and specifications as set forth in the Operations Manual Franchisee may also purchase or lease the required real property and improvements from any source upon terms approved by Franchisor in writing Proposals regarding location of the Premises must be submitted to Franchisor within 90 days of the execution of this Agreement or Franchisor may elect to terminate this Agreement in Franchisor's sole discretion Franchisee must deliver to Franchisor any location information relating to any proposed site that Franchisor reasonably requests for review at least 20 days before any proposed Lease signing date Franchisee must deliver to Franchisor a copy of the proposed Lease, in a form acceptable to Franchisor, and such Lease must incorporate the terms of the Lease Addendum attached to this Agreement as **Attachment E** Notwithstanding anything herein to the contrary, Franchisor may, in its sole discretion, extend the time periods set forth in this Section 8 3(b)

(c) Subject to the terms of this Section, Franchisee must at all times comply with Franchisor's standards, specifications, processes, procedures, requirements and instructions regarding the Premise's physical facilities, including the storage of the equipment, inventory and Disaster Recovery Vehicles, the location and design of required dry-out space, a location for the required ozone chamber, and the layout of furnishings and fixtures Franchisee must maintain the Premises in good and safe condition, as specified in the Operations Manual The Premises must be sufficient, or Franchisee must have the option to acquire additional space, to house additional Disaster Recovery Vehicles, equipment and inventory as Franchisee's business grows Franchisee must remodel or upgrade the Premises at its sole cost and expenses in accordance with Franchisor's standards as set forth in the Operations Manual, which may be modified by Franchisor at any time in Franchisor's discretion Franchisee must complete a major upgrade ("**Major Upgrade**") to bring Franchisee's Premises up to the then-current standards for a new Delta Services Business prior to requesting that Franchisor grant Franchisee a successor Franchise Agreement The standards for completing the Major Upgrade will be the standards set forth in the Operations Manual on the fifth anniversary of the date Franchisee executed this Agreement Franchisee acknowledges that the costs and expenses of such remodeling or upgrading, and for completing the Major Upgrade, are not capped or limited by Franchisor in any way Once Franchisee's Delta Services Business is open for business, Franchisee may only relocate the Premises by complying with Franchisor's relocation procedures as set forth in the Operations Manual and by paying Franchisor the relocation fee ("**Relocation Fee**") specified in the Operations Manual

(d) Franchisee shall apply for all required operating permits and licenses within ten (10) business days after Franchisee signs the Lease for the Premises

8 4 Subject to the terms of this Agreement, including Sections 7 3(k)(i) through (iii), during the Initial Term and any Interim Period, Franchisee shall strictly comply with all present and future standards, specifications, processes, procedures, requirements, and instructions of Franchisor regarding the operation of the Delta Services Business and must comply with the following requirements

(a) Franchisee, or a fully trained and qualified Operating Partner, must devote full time to the management and operation of the Delta Services Business

(b) Prior to opening the Delta Services Business, Franchisee or Franchisee's Operating Partner and Designated Employees must attend and satisfactorily complete all initial training and professional certification programs, demonstrations and seminars at locations as Franchisor may reasonably require Franchisee will pay all salary and all travel expenses, meals, living expenses, and personal expenses, of persons attending Attendance by the Franchisee or its Operating Partner and all Designated Employees is compulsory and must be satisfactorily completed prior to opening the Delta Services Business Prior to attending Franchisor's initial training program, Franchisee and its Designated Employees shall have completed the pre-training prerequisites ("**Pre-Training Prerequisites**") and obtained the pre-training certifications ("**Pre-Training Certifications**") as set forth on **Attachment F-1** to this Agreement Prior to scheduling the attendance at the initial training program, Franchisee shall advise Franchisor in writing, by signing and submitting the Franchisee Certification form on **Attachment F-1**, that Franchisee or its Designated Employees have fully completed the Pre-Training Prerequisites and obtained the Pre-Training Certifications If required by Franchisor, Franchisee shall provide independent written or other confirmation that Franchisee has passed all required Pre-Training Prerequisites and obtained the required Pre-Training Certifications Should Franchisee or one or more of its Designated Employees fail to complete all of the Pre-Training Prerequisites or obtain one or more Pre-Training Certifications to Franchisor's reasonable satisfaction, Franchisor reserves the right to require Franchisee to leave the initial training program and to attend an alternate initial training program at Franchisee's sole cost and expense Franchisee further acknowledges and agrees that Franchisee and its Designated Employees will, prior to opening the Delta Services Business, attend the post-training course ("**Post-Training Course**") and obtain the post-training certification ("**Post-Training Certification**") as set forth on **Attachment F-2** to this Agreement Franchisee shall advise Franchisor in writing, by signing and submitting the Franchisee Certification form on **Attachment F-2**, that Franchisee or its Designated Employees have fully completed the Post-Training Course and obtained the Post-Training Certification The failure of Franchisee or one or more Designated Employees to attend and pass the Post-Training Course and obtain the Post-Training Certification shall constitute a default of this Agreement Franchisee must satisfactorily obtain the Post-Training Certification prior to undertaking any mold mitigation or remediation projects

(c) Franchisee, its Operating Partner, and all Designated Employees will attend all training, remedial training, and certification courses, whether conducted by Franchisor or an authorized third-party, at Franchisee's sole cost and expense, including any training fees, travel expenses, meals, living expenses, personal expenses, and salaries and wages of attendees, in accordance with requirements set forth in the Operations Manual

(d) Franchisee may be required by Franchisor to take The Clean Trust ("Clean Trust," formerly known as the Institute of Inspection, Cleaning and Restoration Certification) or other industry specified classes as deemed necessary Franchisee will be required to take such class within 60 days of written notification from Franchisor Franchisee shall at all times maintain any and all Clean Trust certifications required by Franchisor, and shall pay such annual recertification fees as are required by Clean Trust

(e) Franchisee, its Operating Partner, and all Designated Employees will at all times maintain all professional certifications and credentials as required by Franchisor in the Operations Manual

(f) Franchisee, its Operating Partner, and all Designated Employees, will at all times become and maintain memberships in all professional, trade, or other associations required by Franchisor in the Operations Manual

(g) Franchisee or its Operating Partner must attend each conference organized or sponsored by Franchisor Franchisor's conferences will be held at such locations as Franchisor may reasonably designate, and Franchisee will pay all salary and other expenses of persons attending, including any conference fees, materials fees, travel expenses, meals, living expenses and personal expenses

(h) Franchisee must have Disaster Recovery Vehicles that meet the Franchisor's standards, specifications and requirements, as set forth in the Operations Manual

(i) Franchisee will at all times maintain the Premises, Disaster Recovery Vehicles, equipment, and inventory as required by the Operations Manual to offer the Services and Products authorized under this Agreement Franchisee shall correct any maintenance deficiencies within ten (10) days of receipt of verbal or written notice from Franchisor citing such deficiencies

(j) Subject to Section 8 7, any additional required Service or Product introduced into the System by the Franchisor must be offered for sale on a continuing basis by the Delta Services Business at the time and in the manner required by Franchisor Franchisor will provide at least thirty (30) days prior written notice of any new required Service or Product introduced into the System All equipment, products, supplies, tools and other items necessary to add the newly required Services or Products must be acquired, installed, and utilized at the time and in the manner required by Franchisor The marketing of new Services and Products must begin at the Delta Services Business as reasonably required by Franchisor

(k) No service or product, except approved Services or Products, may be offered for sale from the Delta Services Business, unless Franchisee receives the prior written consent of Franchisor (which may be granted or denied in the Franchisor's sole discretion)

(l) Only advertising and promotional material, Services, Products, Disaster Recovery Vehicles, equipment, supplies, and uniforms that meet Franchisor's standards and specifications shall be used at the Delta Services Business Advertising and promotional materials, tools, Services, Products, Disaster Recovery Vehicles, equipment, inventory, products, signage, supplies and uniforms produced or approved by Franchisor for use by Franchisee may be used only in the manner and during the period specified by Franchisor

(m) Disaster Recovery Vehicles, equipment, technology, signs, Services, Products, supplies and other items must be upgraded, added, eliminated, substituted and modified at the Delta Services Business as soon as practicable in accordance with changes in Franchisor's specifications and requirements or within thirty (30) days of receipt of written notice from Franchisor outlining such requirements

(n) The Delta Services Business and everything related to the Delta Services Business must be maintained in first-class condition and must be kept clean, neat and sanitary All maintenance, repairs and replacements reasonably requested by Franchisor or required in connection with the Delta Services Business must be promptly made All employees and subcontractors must be clean and neat in appearance

(o) No alterations of the Delta Services Business materially affecting the image of the Delta Services Business may be made except at Franchisor's request or approval, and any alterations must strictly conform to specifications and requirements established or approved by Franchisor

(p) Franchisee shall only employ the services of subcontractors in accordance with the provisions set forth in Section 8 7

(q) The Delta Services Business, Services and Products distributed and sold by Franchisee must comply with all applicable federal or state, building codes, ordinances, rules, regulations and other requirements The Franchisee must obtain all Delta Services Business licenses and permits, including a general contractor's license, required by federal, state and local laws in the Area of Primary Responsibility, ordinances, rules and regulations before operating its Delta Services Business

(r) The employees, the Disaster Recovery Vehicles, the equipment and supplies, the inventory and other items on hand at the Delta Services Business, must be at all times sufficient to efficiently meet the anticipated volume of Delta Services Business

(s) The payment of all debts and taxes arising in connection with the Delta Services Business except those duly contested in a bona fide dispute must be paid when due

(t) Franchisee must provide to customers at least the minimum warranty required by the Franchisor Franchisee acknowledges and agrees that Franchisee shall be obligated to provide Franchisor's warranty service to all existing customers, including labor and all other required Services, in Franchisee's Area of Primary Responsibility even if Franchisee did not provide the original Services or Products or Franchisee acquired the Area of Primary Responsibility through a transfer from another Franchisee or by purchasing a previously existing Area of Primary Responsibility from Franchisor Franchisee may be entitled to seek reimbursement under the Warranty Fund in accordance with Franchisor's policies set forth in the Operations Manual

(u) Franchisee shall accept all major credit cards as payment, and such other forms of payment as specified by Franchisor in the Operations Manual

(v) Franchisee will use its best efforts to ensure customer satisfaction, use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors, respond to customer complaints in a courteous, prompt and professional manner, use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner, and take such actions as Franchisor deems necessary or appropriate to resolve customer disputes

(w) Franchisee shall comply with all terms and pay all fees that are due under a software license agreement for any software Franchisee is required to use in the operation of its Delta Services Business as prescribed by Franchisor

(x) Franchisee shall comply with the advertising requirements set out in Section 11

(y) Franchisee will not use any materials that are false or misleading

(z) Franchisee will ensure that all advertising, labeling, packaging and other materials associated with the Services and Products fully conform to all applicable laws and regulations

(aa) Franchisee shall notify Franchisor in writing before filing or placing any lien on any property owned by a customer, and Franchisor shall have the right to restrict Franchisee from filing or placing such lien on property owned by a customer

(bb) Franchisee will conduct its Delta Services Business operations in accordance with all applicable laws and regulations, including but not limited to, consumer protection laws and regulations Franchisee will control the quality of the Services and Products to avoid quality problems or product liability claims that could reflect adversely on Franchisee or Franchisor in the minds of consumers

8 5 In prescribing standards, specifications, processes, procedures, requirements or instructions under Section 8 2 or any other provision of this Agreement, Franchisor will provide guidance and assistance to Franchisee, as required in Franchisor's sole discretion, in determining the prices to be charged by Franchisee for Services or Products of any kind Franchisor reserves the right to negotiate national or regional contract pricing with multi-state customers and insurance providers, and Franchisee agrees to provide Services and Products in accordance with such pricing Franchisor shall not have control over the day-to-day managerial operations of the Delta Services Business, and the Franchisee shall be free to establish its own prices

8 6 Franchisor and Franchisor's representatives will have the right during business hours to inspect the Delta Services Business, any job site, and all other facilities used for service or storage, or the sale and transportation of any approved Products or equipment used in providing any Services Franchisor and Franchisor's representatives will have the right to discuss with Franchisee, or other personnel Franchisee may designate, all matters that may pertain to compliance with this Agreement and with Franchisor's standards, specifications, requirements, instructions and procedures and Franchisor may take photographs of the Franchisee's completed work as it relates to the Delta Services Business Franchisor and Franchisor's representatives will have the right to have any of Franchisor's required Products demonstrated or Services rendered by any employee at the Delta Services Business, and to provide additional training directly to such employees if Franchisor determines such employees are not adequately trained or Franchisor believes Franchisee is not providing sufficient training Franchisee shall be responsible for the costs of such additional training, including paying Franchisor a daily training fee and materials fee as set forth in the Operations Manual and paying all wages and benefits to employees attending such supplemental training Franchisee shall in all respects cooperate with Franchisor's rights under this Section 8 6, provided, that Franchisor's exercise of these rights shall not unreasonably interfere with Franchisee's conduct of the Delta Services Business

8 7 On at least thirty (30) days prior written notice, Franchisor, in Franchisor's sole discretion, may specify a new service or product as a required Service or Product in Franchisee's Area of Primary Responsibility The new Service or Product will not be deemed a required Service or Product if Franchisee demonstrates to Franchisor's reasonable satisfaction that

(a) A substantial capital improvement not contemplated by this Agreement or in the Operations Manual is required, thereby resulting in a material hardship to Franchisee, or

(b) A material reduction in sales or profitability would result therefrom For the purposes of this Section 8 7(b), a forty percent (40%) decrease in sales from the average sales in the prior twelve (12) months would be considered a material reduction in sales, and a thirty percent (30%) reduction in profitability from the average profitability during the previous twelve (12) months would be considered a material reduction in profitability

8 8 Franchisor may require Franchisee's strict compliance with the provisions of this Section 8 even if it does not require such compliance by all franchisees

8 9 Franchisee may only employ the services of subcontractors that satisfy the requirements for subcontractors specified in the Operations Manual including, but not limited to, all licensing, insurance,

background checks, execution of subcontractor agreements, and signage requirements Franchisor has the right to interview any of Franchisee's subcontractors or to request any information required by Franchisor to reasonably evaluate such subcontractor's qualifications to assist Franchisee in delivering the Products and the Services in Franchisee's Area of Primary Responsibility If Franchisor advises Franchisee that one of Franchisee's subcontractors fails to satisfy the requirements imposed by Franchisor for subcontractors operating in the System, Franchisee shall advise such subcontractor in writing within three (3) business days of receipt of notice from Franchisee and cease engaging subcontractor for any additional services upon delivery of such notice

8 10 If Franchisee is an individual, Franchisee must directly supervise the Delta Services Business If the Franchisee is a corporation or other business entity, or if the Franchisee has, in the Franchisor's sole judgment, insufficient experience in a Delta Services Business similar to the franchise or experience in business management in general, then the Franchisee shall designate an operating partner ("**Operating Partner**") having required experience who shall have direct responsibility for all operations of the Delta Services Business, and who shall own not less than ten percent (10%) of the equity of the Franchisee business entity Any change in the Operating Partner shall be subject to the approval of Franchisor, in Franchisor's sole discretion If the Operating Partner is terminated or terminates his or her affiliation with the Delta Services Business for any reason, Franchisee shall propose a replacement Operating Partner ("**Replacement Operating Partner**") to Franchisor within ten (10) business days of the departure of the Operating Partner, and such Operating Partner Franchisor shall have seven (7) business days to review the proposed Replacement Operating Partner If Franchisor approves the Replacement Operating Partner, such Replacement Operating Partner must be employed by Franchisor no later than thirty (30) days after the final day of the original Operating Partner Such Replacement Operating Partner must attend the next available training course offered by Franchisor for Operating Partners, and shall obtain all required professional certifications no later than ninety (90) days after the Replacement Operating Partner is employed by Franchisee, unless such requirement is extended or waived by Franchisor in Franchisor's sole discretion

8 11 The Franchisee shall become a member of such trade associations or organizations which in the reasonable opinion of the Franchisor are useful in the operation of the Delta Services Business The Franchisee shall have the option to become a member of all benefit programs which are offered from time to time by the Franchisor to all of its Franchisees The costs of participating in such trade associations and benefit programs shall be borne by the Franchisee and its employees (if applicable to the employees) Nothing in this Section 8 11 limits the Franchisee's freedom to join any franchise or franchisee's association of its choosing

8 12 Franchisor or Franchisor's authorized representative has the right to enter Franchisee's Delta Services Business or any customer job site at all reasonable times for the purpose of making periodic evaluations to ascertain if the provisions of this Agreement are being observed by Franchisee, to inspect and evaluate Franchisee's building, land and equipment, and to test, sample, inspect and evaluate Franchisee's Disaster Recovery Vehicles, equipment and supplies, and the conditions of sanitation and cleanliness in the storage and maintenance of all Disaster Recovery Vehicles, equipment and supplies Any failure of an inspection is a default under Section 17 of this Agreement Franchisor's inspections and evaluations may include use of a "**Mystery Shopper**" program from time to time throughout the term of this Agreement which may include surveys of, and evaluations by, current and previous customers If Franchisee fails an evaluation by Franchisor or by a Mystery Shopper or if Franchisor receives a specific customer complaint, Franchisee must pay the costs and expenses of subsequent evaluations performed by Franchisor and subsequent Mystery Shopper visits

8 13 Franchisee shall acquire, maintain, and upgrade computer, information processing and communication systems, including all applicable hardware, software, and Internet and other network access

providers, and Web site vendors, as prescribed in the Operations Manual, as modified periodically by Franchisor in Franchisor's sole discretion Franchisee shall comply with any separate software or other license agreement that Franchisor or its designee uses in connection with providing these services, including paying all fees required by such license agreements or the Operations Manual Franchisee shall utilize Franchisor's proprietary database management and intranet system as the exclusive means for tracking and maintaining customer, vendor, and lead information, and for such other uses as prescribed by Franchisor periodically in the Operations Manual, in Franchisor's sole discretion

8 14 Franchisee shall at all times maintain an active email account and shall monitor the account on a continual basis Franchisee shall maintain an email account on Franchisor's proprietary database management and intranet system

8 15 Franchisee or Franchisee's Operating Partner and all Designated Employees shall at all times have sufficient computer skills to operate Franchisee's computer, understand how to utilize the software, and access email, the Internet, and Franchisor's proprietary database management and intranet system If Franchisor determines that Franchisee, Franchisee's Operating Partner or any Designated Employee requires additional computer training, Franchisor will notify Franchisee in writing regarding the nature of the additional training required, and Franchisee, Franchisee's Operating Partner or the Designated Employee will have thirty (30) days to complete such training at a local computer training school at Franchisee's sole cost and expense Franchisor reserves the right to designate the computer training school which Franchisee Franchisee's Operating Partner or the Designated Employee must attend At the end of the training program, Franchisee, Franchisee's Operating Partner or the Designated Employee shall present a certificate reasonably acceptable to Franchisor establishing that Franchisee, Franchisee's Operating Partner or the Designated Employee passed the training course Franchisee's failure to ensure the required person seek additional training or to pass the course shall constitute a default of this Agreement

8 16 Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders Franchisor has taken reasonable steps to ensure that these problems will not materially affect the System Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected This must include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems

9 PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES

9 1 Franchisee must purchase or lease all Disaster Recovery Vehicles from Franchisor's designated or approved suppliers, manufacturers and distributors, and Franchisee acknowledges and agrees that Franchisor or one or more of its Affiliates may be a designated or approved supplier The standards and specifications for the Disaster Recovery Vehicles required by Franchisor shall be maintained in the Operations Manual Franchisor has the right to require Franchisee to discontinue purchasing any Disaster Recovery Vehicles from a designated or approved supplier, manufacturer or distributor and may designate new suppliers, manufacturers or distributors at any time in its sole discretion

9 2 Franchisee must purchase all products, services, equipment, tools, inventory, supplies and hardware and software from Franchisor's designated or approved suppliers, manufacturers and distributors and Franchisee acknowledges and agrees that Franchisor or one or more of its Affiliates may be a designated

or approved supplier The standards and specifications for equipment, computer hardware and software, inventory, tools, signage, supplies, services and products required by Franchisor shall be maintained in the Operations Manual Franchisor has the right to require Franchisee to discontinue purchasing any products, services, equipment, tools, inventory, supplies, hardware, advertising and marketing materials, or software from a designated or approved supplier, manufacturer or distributor and may designate new suppliers, manufacturers or distributors at any time in its sole discretion

9 3 Franchisee acknowledges and agrees that Franchisor or its Affiliates may receive from designated or approved suppliers of Franchisee's products, services, Disaster Recovery Vehicles, equipment, tools, inventory, supplies, advertising and marketing materials, and hardware and software, periodic volume rebates or other revenue as a result of Franchisee's purchases Franchisee further acknowledges and agrees that Franchisor shall be entitled to keep for its own use and account such rebates and revenue

9 4 Franchisee may request that Franchisor approve or designate a new supplier by following the procedures, and paying all required fees and expenses for approval, as set forth in the Operations Manual and modified periodically by Franchisor in Franchisor's discretion Franchisor will not unreasonably withhold the approval of a supplier, however, in order to make such determination, Franchisor may require that samples from a proposed new supplier be delivered to Franchisor for testing and approval prior to use Franchisor reserves the right to require that Franchisee pay or reimburse Franchisor for the reasonable cost of investigation in determining whether such products, services, materials, forms, items or supplies satisfy Franchisor's specifications Franchisor shall have up to one hundred twenty (120) days ("**Supplier Consideration Period**") to consider Franchisee's request for a new supplier after Franchisee has provided Franchisor with all requested information If Franchisor fails to respond to Franchisee's request by the end of the Supplier Consideration Period, the request will be deemed to be denied

9 5 The names and addresses of Franchisor's approved or required suppliers, manufacturers and distributors shall be maintained in the Operations Manual Franchisor reserves the right to approve all of the products, supplies, services, Disaster Recovery Vehicles, equipment, tools, inventory, hardware and software advertising and marketing materials used in connection with Franchisee's Delta Services Business

10 MARKS AND COPYRIGHTED WORKS

10 1 Franchisee acknowledges and agrees that

(a) Franchisor is the owner of all right, title and interest, together with all the goodwill of the Marks Franchisee further acknowledges that the Marks designate the origin or sponsorship of the System, the Delta Services Business, and the Services and Products, and that Franchisor desires to protect the goodwill of the Marks and to preserve and enhance the value of the Marks In the event that Franchisee acquires any rights, title or interest in the Marks, Franchisee agrees to assign and hereby assigns all such rights, title or interest to Franchisor

(b) All right, title and interest in and to all materials, including but not limited to, all artwork and designs, created by Franchisor, and used with the Marks or in association with the Delta Services Business ("**Copyrighted Materials**") are the property of the Franchisor Additionally, all Copyrighted Materials created by Franchisee or any other person or entity retained or employed by Franchisee are works made for hire within the meaning of the United States Copyright Act and are the property of the Franchisor, who shall be entitled to use and license others to use the Copyrighted Materials unencumbered by moral rights To the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to the Franchisor, Franchisee irrevocably assigns and agrees to assign to the Franchisor, its

successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which the Franchisee and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure Franchisor's right in the Copyrighted Materials as required in this Section 10 1(b)

(c) Franchisee will never dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Marks or Copyrighted Materials or Franchisor's ownership of the Marks or Copyrighted Materials, nor counsel, procure, or assist anyone else to do the same, nor will it take any action that is inconsistent with Franchisor's ownership of the Marks or Copyrighted Materials, nor will it represent that it has any right, title, or interest in the Marks or Copyrighted Materials other than those expressly granted by this Agreement

(d) Franchisor may decide, in its sole and absolute discretion, to apply to register or to register any trademarks or copyrights with respect to the Services, Products and any other services, products and the Copyrighted Materials Failure of Franchisor to obtain or maintain in effect any such application or registration is not a breach of this Agreement Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Marks or any trademark, service mark or logo confusingly similar thereto or any Copyrighted Materials, anywhere in the world

(e) Upon Franchisor's request, Franchisee will cooperate fully, both before and after termination or expiration of this Agreement and at Franchisor's expense, in confirming, perfecting, preserving, and enforcing Franchisor's rights in the Marks and Copyrighted Materials, including but not limited to, executing and delivering to Franchisor such documents as Franchisor reasonably requests for any such purpose, including but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of the Services and Products and other services and products Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact for the purpose of executing such documents

(f) All usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor This Agreement does not confer any goodwill or other interests in the Marks to the Franchisee upon expiration or termination of the Agreement

(g) FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS OR COPYRIGHTED MATERIALS

10 2 Franchisee acknowledges and agrees that

(a) Franchisee's right to use the Marks and Copyrighted Materials are derived solely from this Agreement Franchisee may only use the Marks and Copyrighted Materials in its operation of the Delta Services Business and only incompliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor in the Operations Manual and elsewhere from time to time during the Initial Term and any Interim Period Franchisee will make every effort consistent to protect, maintain, and promote the Marks as identifying the System and only the System

(b) Any unauthorized use of the Marks or Copyrighted Materials by Franchisee constitutes a breach of this Agreement and an infringement of the rights of Franchisor and in and to the Marks and Copyrighted Materials

(c) Franchisee will not use any Marks or portion of any Marks as part of a corporate or trade name, or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or under applicable law

(d) In order to preserve the validity and integrity of the Marks and Copyrighted Materials licensed herein and to assure that Franchisee is properly employing the same in the operation of its Delta Services Business, Franchisor or its agents shall have the right of entry and inspection of Franchisee's Delta Services Business and operating procedures pursuant to Section 8 6

(e) Franchisee will safeguard and maintain the reputation and prestige of the Marks and Copyrighted Materials and will not do anything that would tarnish the image of or adversely affect the value, reputation or goodwill associated with the Marks Franchisee will not do anything that would dilute, directly or indirectly, the value of the goodwill attached to the Marks, nor counsel, procure or assist anyone else to do the same

(f) Franchisee will use the Marks and Copyrighted Materials only in lettering, logos, print styles, forms, and formats, including but not limited to, wraps for Disaster Recovery Vehicles, equipment labels, uniforms, advertising and promotional materials, invoices, signage, business checks, business cards, invoices, stationery, and promotional items such as clothing, pens, mugs, etc , which have been approved by Franchisor in accordance with this Agreement, and promptly follow instructions regarding the Marks and Copyrighted Materials as provided in the Operations Manual and otherwise given by Franchisor from time to time

(g) Franchisee will use the following copyright notice at least once on each piece of advertising, promotional, or other material used in connection with the Services and Products

© (year of first publication) Delta Development Group, Inc , All Rights Reserved

(h) Franchisee will use the Marks with a superscript "®" or "™", as specified by Franchisor, unless and until advised by Franchisor to use a different notice

10 3 Franchisee acknowledges and agrees that

(a) If, in Franchisor's reasonable determination, the use of Marks or Copyrighted Materials in connection with the Services, Products, other services and products or the Delta Services Business will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Marks or Copyrighted Materials, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify or discontinue of the Marks or Copyrighted Materials then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in the manner prescribed by Franchisor Franchisor may require Franchisee to use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols or copyrighted materials Franchisor shall reimburse Franchisee for the tangible cost of compliance with this requirement (such as the cost of printing new letterhead and business cards), but Franchisee will have no rights of damages, offset, or right to terminate this

Agreement as a result thereof and Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Marks or Copyrighted Materials

(b) Franchisee shall notify Franchisor within three (3) days after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof or the Copyrighted Materials Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks or Copyrighted Materials, Franchisor shall have the sole right, but not the duty, to defend any such action Franchisor shall have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks or Copyrighted Materials and shall exercise such right in the sole discretion of Franchisor Franchisor shall control all actions but not be obligated to take any action In any defense or prosecution of any litigation relating to the Marks, Copyrighted Materials or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution At Franchisor's option, Franchisee will join in any action, in which case Franchisor shall bear all the out-of-pocket costs of Franchisee for such participation If Franchisee joins in an action, then the recovery, if any, from such legal action shall be first applied to the total expenses associated therewith and then split equally between Franchisor and Franchisee

10 4 All provisions of this Agreement applicable to the Marks and Copyrighted Materials apply to any and all additional trademarks, service marks, commercial symbols and copyrighted materials authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement

10 5 If Franchisee during the Initial Term of the franchise relationship or any Interim Period, conceives or develops any improvements or additions to the System, Copyrighted Materials, website or any other documents or information pertaining to or relating to the System or the Delta Services Business, or any new trade names, trade and service marks, logos, or commercial symbols related to the Delta Services Business or any advertising and promotional ideas or inventions related to the Delta Services Business (collectively, the "**Improvements**") Franchisee shall fully disclose the Improvements to Franchisor, without disclosure of the Improvements to others, and shall obtain Franchisor's written approval prior to using such Improvements Any such Improvement may be used by Franchisor and all other franchisees without any obligation to Franchisee for royalties or other fees Franchise shall assign and does hereby assign to Franchisor, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement Franchisor, at its discretion, may make application for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and Franchisee shall cooperate with Franchisor, in securing such rights Franchisor may also consider such Improvements as the property and Trade Secrets of Franchisor In return, Franchisor shall authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees

11 ADVERTISING AND PROMOTION

11 1 Franchisee acknowledges that local advertising is required to advise the public of the Delta Services Business As such, Franchisee shall advertise and promote the opening of the Delta Services Business at Franchisee's own expense However, Franchisor will recommend the type, manner, and time period for advertisements and promotions

11 2 Franchisee will spend, for the first ninety (90) days after Franchisee commences operations, a total of Six Thousand Dollars ($6,000) on promotional advertising within the Area of Primary Responsibility ("**Start-Up Advertising Period**") Salaries for marketing support personnel are separate

expenses that must not be included in the amount you must spend on promotional advertising during the Start-Up Advertising Period

11 3 Immediately after the Start-Up Advertising Period expires, and during the remaining Initial Term and any Interim Period, the Franchisee shall spend a minimum of two percent (2%) of the Gross Revenues for the preceding month for advertising and promotion ("**Individual Advertising Expense**") Salaries for marketing support personnel are separate expenses that must not be included in the Individual Advertising Expense

11 4 During the Initial Term and any Interim Period, Franchisee shall furnish the Franchisor an accounting of the Franchisee's previous month's expenditures for advertising and promotion on a form approved by the Franchisor, and Franchisor reserves the right to require Franchisee to provide actual receipts documenting such expenditures

11 5 Franchisor will make available to Franchisee all advertising and promotion materials for the Delta Services Business which are used by Franchisor and other franchisees Franchisor must approve or disapprove before publication any marketing or promotional materials created by Franchisee for purposes of advertising or promoting the Residential Disaster Discovery Business Such approval or disapproval must be made in writing within ten (10) working days after Franchisee submits them for review If Franchisor takes no action, Franchisee's request will be deemed disapproved

11 6 Franchisee shall pay to Franchisor a national marketing fee ("**National Marketing Fee**") equal to one percent (1%) of the Gross Revenues generated by Franchisee for the preceding month or portion thereof Such National Marketing Fee shall be paid in addition to the Franchisee's Individual Advertising Expense The National Marketing Fee shall be deposited into a national marketing fund ("**National Marketing Fund**") and deducted electronically from Franchisee's bank account on the sixth (6^{th}) day of each month for the preceding calendar month Franchisee's obligation to pay Franchisor the National Marketing Fee will commence on the second anniversary of the date Franchisee commences operations, and the National Marketing Fee will be payable through the remainder of the Initial Term and any Interim Period of this Agreement Franchisor reserves the right, in Franchisor's sole discretion, in increase the National Marketing Fee to an amount equal to up to three percent (3%) of the Gross Revenues for the previous month Franchisor will provide Franchisee with thirty (30) days prior notice before increasing the National Marketing Fee In the event that Franchisor elects to increase the National Marketing Fee, Franchisee's Individual Advertising Expense shall be reduced by an equal amount No action taken by the Franchisee shall diminish the Franchisee's obligations to pay the National Marketing Fee to the National Marketing Fund

11 7 Advertising materials and services will be provided to Franchisee through the National Marketing Fund Franchisor may occasionally provide for placement of advertising on behalf of the entire System, including franchisees or on behalf of a particular region, that may not include Franchisee, through the National Marketing Fund Franchisor reserves the right to use the National Marketing Fee from the National Marketing Fund to place advertising in national media or regional media (including broadcast, print or other media) in the future Franchisee acknowledges that the National Marketing Fund is intended to maximize the general brand recognition of the System Franchisor is not obligated to expend National Marketing Funds on Franchisee's behalf or for Franchisee's benefit or to expend National Marketing Funds equivalent or proportionate to Franchisee's National Marketing Fees on Franchisee's behalf or benefit

11 8 National advertising, public relations, and promotions will be started and continued by Franchisor, when, in Franchisor's sole discretion, Franchisor deems that it has accumulated sufficient moneys for that purpose The National Marketing Fund will be used to promote the System, Services and/or Products sold by the franchisees and will not be used to sell additional franchises, provided, however, that

Franchisee acknowledges and agrees that Franchisor may undertake certain activities using funds from the National Marketing Fund that have the effect of increasing the visibility of, and interest in, the System by prospective franchisees Franchisor's accounting and marketing personnel or a representative designated by Franchisor will administer the National Marketing Fund The National Marketing Fund will collect National Marketing Fees from all franchisees Franchisee acknowledges and agrees that any company-owned Delta Services Businesses if any, do not contribute to the National Marketing Fund on the same basis as franchisees but reserve the right to do so All payments to the National Marketing Fund must be spent on advertising, public relations, market research, promotion, marketing of goods and services provided by Franchisor, outside vendors, including but not limited to marketing agencies, and administration of the National Marketing Fund, including but not limited to, salaries, overhead, administrative, accounting, collection and legal costs and expenses The National Marketing Funds will be maintained by Franchisor in a separate account An annual un-audited financial statement of the National Marketing Fund, at the expense of the National Marketing Fund, will be available one-hundred twenty (120) days after Franchisor's fiscal year end to Franchisee for review once a year upon request

11 9 The National Marketing Fees collected by the National Marketing Fund are non-refundable The National Marketing Fund may be terminated at any time by Franchisor, in its sole discretion In the event that the National Marketing Fund is terminated, any remaining balance in the National Marketing Fund will be expended as provided for in Section 11 8 or returned to Franchisee on a pro-rata basis

11 10 Franchisee shall fully participate in all such promotional campaigns, prize contests, games, special offers, and other programs, national, regional, or local in nature (including the introduction of new Services, Products, new franchises or other marketing programs directed or approved by Franchisor), which are prescribed from time to time by Franchisor Franchisee shall be responsible for the costs of such participation In addition, Franchisee shall honor all regional or national pricing negotiated by Franchisor at Franchisee's sole cost unless otherwise specified in writing by Franchisor Franchisee will maintain an adequate supply of marketing brochures, pamphlets and promotional materials as may be required by Franchisor from time to time Franchisee shall be responsible for the costs of such participation

11 11 Franchisor (and any designee of Franchisor) will have no direct or indirect liability or obligation to Franchisee or the National Marketing Fund or otherwise with respect to the management, maintenance, direction, administration or otherwise of the National Marketing Fund Franchisee and Franchisor agree that their rights and obligations with respect to the National Marketing Fund and all related matters are governed solely by this Agreement and neither this Agreement or the National Marketing Fund creates a trust, fiduciary relationship, or similar arrangement

11 12 Franchisor reserves the right to require cooperatives to be formed, dissolved or merged For example, Franchisor may designate a local or regional advertising coverage area in which the Delta Services Business and at least one other Delta Services Business is located for purposes of developing a cooperative local or regional advertising or promotional program Franchisee will contribute its share to such cooperative advertising and promotional program agreed upon by a certain percentage of the Delta Services Businesses within the designated dominant market area ("**DMA**") as defined by Nielsen Media Research, a company of the Dun & Bradstreet Corporation, or comparable industry designation Such payments will be in addition to and exclusive of any other sums Franchisee is required to spend on advertising Company-owned outlets shall not have controlling voting power on fees imposed by any franchisee cooperatives formed in the future

12 INSURANCE AND INDEMNITY

12 1 Franchisee shall, upon commencement of the Term, purchase and at all times maintain in full force and effect

(a) Insurance policies, in such amounts and on such terms, as prescribed by the Operations Manual, issued by an insurance company acceptable to Franchisor at all times during the Term of this Agreement, any Interim Period, and any Successor Terms Insurance coverage must include, but is not limited to, comprehensive general liability, combined single limit, automobile, pollution liability, completed operations, bodily injury and all-risk property damage insurance and all other occurrences against claims of any person, employee, customer, agent or otherwise in an amount per occurrence of not less than such amount set forth in the Operations Manual and adjusted by Franchisor periodically in Franchisor's sole discretion, unemployment and workers compensation insurance and any other additional insurance required by the terms of any Lease or lender for the Delta Services Business The insurance company chosen by Franchisee must have an A M Best rating of "A" or higher Insurance policies must insure Franchisee, Franchisor, Franchisor's Affiliates, and Franchisor's and Franchisor Affiliates' respective officers, directors, shareholders, managers, members and all other parties designated by Franchisor, as additional named insureds against any liability which may accrue against them because of the ownership, maintenance or operation by Franchisee of the Delta Services Business The policies must also stipulate that Franchisor shall receive a 30 day prior written notice of cancellation and must contain endorsements by the insurance companies waiving all rights of subrogation against Franchisor Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance (collectively, **"Certificates of Insurance"**) acceptable to Franchisor, including original endorsements effecting the coverage required by this Section, shall be furnished to Franchisor together with proof of payment within 10 days of issuance thereof Franchisee shall also furnish Franchisor with certificates and endorsements evidencing such insurance coverage within ten (10) days after each of the following events (i) at all policy renewal periods, no less often than annually, and (ii) at all instances of any change to, addition to, or replacement of any insurance The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf All certificates and endorsements are subject to approval by Franchisor Franchisor reserves the right to require complete, certified copies of all required insurance policies at any time in Franchisor's sole discretion In the event Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but shall not be obligated to, purchase insurance on Franchisee's behalf from an insurance carrier of Franchisor's choice, and Franchisee shall reimburse Franchisor for the full cost of such insurance, along with a reasonable service charge to compensate Franchisor for the time and effort expended to secure such insurance, within five (5) days of the date Franchisor delivers an invoice detailing such costs and expenses to Franchisee Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement or exercise any or a combination of the other default remedies set forth in Section 17 of this Agreement Franchisee shall also procure and pay for all other insurance required by state or federal law Franchisor reserves the right to modify minimum insurance requirements or the types of coverage required at any time in its sole discretion by updating the Operations Manual Franchisee shall not operate the Delta Services Business or provide Services or Products while Franchisee does not maintain in full force and effect the insurance policies prescribed by the Operations Manual

(b) All pollutions liability, completed operations, public liability and property damage policies shall contain a provision that Franchisor, although named as an additional insured, shall

nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor or its shareholders, members, directors, managers, employees or agents

(c) All liability insurance policies procured and maintained by Franchisee in connection with the Delta Services Business will require the insurance company to provide and pay for attorneys to defend any legal actions, lawsuits or claims brought against Franchisee, Franchisor, Franchisor's Affiliates and their respective officers, directors, managers, members, agents, employees, and all other entities or individuals designated by Franchisor as additional insureds

(d) All subcontractors employed by Franchisee in accordance with the terms of this Agreement must also carry insurance as required by Franchisor in the Operations Manual

12 2 Franchisee shall, during the Initial Term and any Interim Period and after the termination or expiration of the Franchise, indemnify Franchisor, its Affiliates, and their respective officers, directors, managers, members, and employees, and hold them harmless against all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious (and including damages suffered by the Franchisee or any of its property) (collectively, "**Damages,**") for which they are held liable, or which they incur (including attorneys fees and costs, travel, investigation and living expenses of employees and witness fees) in any litigation or proceeding as a result of or arising out of

(a) a breach of this Agreement, or any other agreement between the parties, or any breach of the Lease or other instrument by which the right to occupy the Delta Services Business Premises or any other premises used by Franchisee to operate the Delta Services Business is held, by the Franchisee,

(b) any injury to, or loss of property of, any person in, or on, the Franchisee's Premises, any other premises used by the Delta Services Business, any customer residence or business location, and any public or private road on which Franchisee operates a Disaster Recovery Vehicle,

(c) the Franchisee's taxes, liabilities, costs or expenses of its Delta Services Business,

(d) any negligent or willful act or omission of the Franchisee, its officers, directors, managers, members, shareholders, partners, employees, agents, servants, subcontractors or others for whom it is, in law, responsible,

(e) any violation of any federal, state or local law, ordinance, regulation, licensing or certification requirements or prohibitions on Franchisee in the operation of the Delta Services Business, or

(f) any advertising or promotional material distributed, broadcast or in any way disseminated by Franchisee, or on its behalf unless such material has been produced, or approved in writing, by Franchisor

13 RELATIONSHIP

13 1 Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venturer or employee of Franchisor and no training or supervision given by, or assistance from, the Franchisor shall be deemed to negate such independence Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property

directly or indirectly arising out of the operation of the other party's Delta Services Business authorized by or conducted pursuant to this Agreement Franchisor and Franchisee agree that no partnership, fiduciary relationship, joint venture or employment relationship exists between them Franchisee shall conspicuously identify itself in all dealings with the public as a sole operator that is an entity separate from Franchisor and state that Franchisor has no liability for the Delta Services Business being conducted from the Premises or any other location It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of franchisor and franchisee It is further agreed that Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever Franchisee agrees that it will not hold itself out as the agent, employee, partner or co-venturer of Franchisor All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor control Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof

13 2 Neither party hereto shall make any agreements, representations or warranties (except by Franchisor in advertising as provided herein) in the name of, or an behalf of, the other party, neither party hereto shall be obligated by, nor have any liability for, any agreements, representations or warranties made by the other (except by Franchisor in advertising as provided herein) nor shall Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of Franchisee's Delta Services Business, whether caused by Franchisee's negligent or willful action or failure to act

13 3 Franchisor shall have no liability for Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any value added, sales, use, service, occupation, excise, Gross Revenues, income, property or other tax levied upon Franchisee, Franchisee's property, the Delta Services Business or upon Franchisor in connection with the sales made or Delta Services Business conducted by Franchisee (except any taxes Franchisor is required by law to collect from Franchisee with respect to purchases from Franchisor)

14 RESTRICTIVE COVENANTS

14 1 Franchisee acknowledges and agrees that

(a) Franchisee's entire knowledge of the operation of the Delta Services Business, the System, and the concepts and methods of promoting the business franchised hereunder, that it has now or obtains in the future is derived from Franchisor's Confidential Information and Trade Secrets Franchisee further acknowledges and agrees that all of the Confidential Information and Trade Secrets are the sole property of Franchisor, represent valuable assets of Franchisor and that Franchisor has the right to use the Confidential Information and Trade Secrets in any manner it wishes at any time

(b) During the Initial Term and any Interim Period, Franchisee, and Franchisee's owners, operating managers, and employees who have access to the Confidential Information and Trade Secrets agree that they (1) will not use the Confidential Information or Trade Secrets in any other Delta Services Business or capacity or for their own benefit, (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets, (3) will not make unauthorized copies of any portion of the Confidential Information and Trade Secrets, and (4) will adopt and implement all reasonable procedures Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets including requiring employees, operating managers, training class attendees, and Franchisee owners who have access to the

Confidential Information and Trade Secrets to execute such nondisclosure and noncompetition agreements as Franchisor may require periodically, and provide Franchisor, at Franchisor's request, with signed copies of each of those agreements Franchisor will be named as a third party beneficiary on such nondisclosure and noncompetition agreements

(c) After the Agreement expires or is terminated, Franchisee, and Franchisee's owners, operating managers and employees who have access to the Confidential Information and Trade Secrets agree that for a period of two (2) years after the termination or expiration of the Agreement (unless such information is a Trade Secret in which case the requirements in this Section 14 1(c) will remain in place for as long as such information constitutes a Trade Secret) they (1) will not use the Confidential Information or Trade Secrets in any other Delta Services Business or capacity or for their own benefit, (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets, (3) will not make unauthorized copies of any portion of the Confidential Information or Trade Secrets, and (4) will adopt and implement all reasonable procedures Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets including requiring written non-disclosure and noncompetition agreements for those individuals as Franchisor may require and provide Franchisor, at Franchisor's request, with signed copies of each of those agreements Franchisor will be named as a third party beneficiary on such nondisclosure and noncompetition agreements

(d) Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following (a) Confidential Information in the public domain after it was communicated to Franchisee through no fault of Franchisee, its owners, operating manager or employees, (b) Confidential Information in Franchisee's possession free of any obligation of confidence at the time it was communicated to Franchisee, or (c) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose the information, if Franchisee has notified Franchisor before disclosure and used Franchisee's best efforts, and afforded Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed

14 2 Franchisee covenants and agrees that

(a) During the Initial Term of this Agreement and any Interim Period thereof, Franchisee, its owners and operating manager shall not, without the prior written consent of the Franchisor, either individually or in a partnership, corporation, limited liability company, joint venture or other business entity or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, shareholder, member, partner or in any manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed in any business operating in competition with a Delta Services Business or any business offering residential disaster recovery services or products similar to the Delta Services Business (**"Competitive Business"**) as carried on from time to time during the Initial Term of this Agreement, including any Interim Period

(b) Upon termination or expiration of the Initial Term or any Interim Period, or the transfer, sale or assignment of this Agreement by Franchisee, neither Franchisee, the operating manager or Franchisee's owners will have any direct or indirect interest (i e through a relative) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, for two (2) years, in any Competitive Business within 100 miles of the Area

of Primary Responsibility or any other franchisee's, Franchisor's or Affiliates Area of Primary Responsibility

14 3 During the Initial Term (including any Interim Period) of this Agreement and for a period of two (2) years thereafter, Franchisee, Franchisee's owners, and the Operating Partner shall not attempt to attain an unfair advantage over other franchisees or Franchisor or any Affiliates thereof by soliciting for employment any person who is, at the time of such solicitation, employed by Franchisor, other franchisees or any Affiliates, nor shall Franchisee, Franchisee's owners or the Operating Partner directly or indirectly induce or attempt to induce any such person to leave his or her employment as aforesaid

14 4 If any person restricted by this Section 14 refuses to voluntarily comply with the foregoing obligations, the two (2) year period will commence with the entry of any order of a court or arbitrator enforcing this Section 14

14 5 THE PARTIES HAVE ATTEMPTED IN SECTION 14 2 ABOVE TO LIMIT FRANCHISEE'S RIGHT TO COMPETE ONLY TO THE EXTENT NECESSARY TO PROTECT FRANCHISOR FROM UNFAIR COMPETITION THE PARTIES HEREBY EXPRESSLY AGREE THAT IF THE SCOPE OF ENFORCEABILITY OF THE PROVISION OF SECTION 14 2 IS DISPUTED AT ANY TIME BY FRANCHISEE, A COURT OR ARBITRATOR, AS THE CASE MAY BE, MAY MODIFY SECTION 14 2 TO THE EXTENT THAT IT DEEMS NECESSARY TO MAKE SUCH PROVISION ENFORCEABLE UNDER APPLICABLE LAW IN ADDITION, FRANCHISOR RESERVES THE RIGHT TO REDUCE THE SCOPE OF SAID PROVISION WITHOUT FRANCHISEE'S CONSENT, AT ANY TIME OR TIMES, EFFECTIVE IMMEDIATELY UPON NOTICE TO FRANCHISEE FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT IT POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE FRANCHISEE OF THE ABILITY TO EARN A LIVING

14 6 Nothing in this Section 14 shall prevent any active officer of Franchisee or member of Franchisee's family either individually or collectively, from owning not more than a total of five percent (5%) of the stock of any company, which is subject to the reporting requirements of the U S Securities and Exchange Act of 1934, provided that Franchisee is otherwise not actively involved in the management or operation of that Competitive Business and does not serve that Competitive Business in any capacity other than as a shareholder

14 7 Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance, Confidential Information and Trade Secrets in direct competition with Franchisor Franchisee further acknowledges that Franchisor would not have entered into this Agreement or shared the Confidential Information, Trade Secrets and other information with Franchisee absent Franchisee's agreement to strictly comply with the provisions of this Section 14 Franchisee acknowledges that as a Franchisee of Franchisor, it will have access to Franchisor's Trade Secrets and Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee Franchisee acknowledges that a breach of the covenants contained in this Section 14 will be deemed to threaten immediate and substantial irreparable injury to Franchisor Accordingly, Franchisee agrees that Franchisor will have the right, without prior notice to Franchisee, to obtain immediate injunctive relief without limiting any other rights or remedies and without posting a bond

14 8 In the event that Franchisee is not an individual, this Section 14 will also apply to the officers, directors, stockholders, partners, members, trustees, beneficiaries and/or principals of Franchisee, Franchisee, and any persons controlled by, controlling or under common control with Franchisee

15 ASSIGNMENT

15 1 Franchisee acknowledges that Franchisor's obligations under this Agreement are not personal Franchisor shall have the absolute right, in its sole discretion, to unconditionally transfer or assign this Agreement or any of its rights or obligation under this Agreement to any person, corporation or other party

15 2 Franchisor reserves the right to assign the franchise System to anyone including the operator of a competing franchise system or company-owned chain Franchisee acknowledges and agrees that Franchisor may sell its assets, the Marks or the System to any third party of Franchisor's choice, may offer its securities privately or publicly, may merge with or acquire other corporations or be acquired by another corporation, may undertake a refinancing, recapitalization, leverage buyout, or other economic or financial restructuring, or may terminate or cease to exist or dissolve, in any such case without the Franchisee's consent and, provided the transferee expressly assumes and undertakes to perform Franchisor's obligations in all material respects, free of any responsibility or liability whatsoever to Franchisee after the transaction occurs

15 3 With regard to any of the above sales, assignment and dispositions, Franchisee expressly and specifically waives any claims, demands, or damages against Franchisor arising from or related to the transfer of the Marks, assets or the System from Franchisor to any other party

15 4 Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee Accordingly, this Agreement, Franchisee's rights and interests hereunder, the property and assets owned and used by Franchisee in connection with the Delta Services Business and any shares, stock, membership or interest in any corporation, limited liability company, or other entity having an interest in the Delta Services Business, shall not be voluntarily or involuntarily, directly or indirectly sold, pledged, assigned, transferred, shared, subdivided, sub-franchised, encumbered or transferred in any way (including, without limitation, in the event of the death of Franchisee if Franchisee is an individual), in whole or in part, in any manner whatsoever without the prior written approval of Franchisor and in compliance with all terms of this Section 15 Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void and grounds for termination of this Agreement by Franchisor

15 5 With and after each valid assignment of this Agreement pursuant to this Section 15, the assignee or assignees of Franchisee shall be deemed to be Franchisee under this Agreement and will be bound by and liable for all of Franchisee's existing and future obligations No stockholder in any corporation, member in any limited liability company or partner in any partnership which becomes Franchisee shall have any rights under this Agreement by reason of his, her or its stock ownership, membership interest or partnership interest

15 6 If Franchisee shall at any time determine to sell, in whole or in part, the Delta Services Business, Franchisee shall obtain a bona fide, executed, written offer (**"Purchase Offer"**) for the Delta Services Business together with all real or personal property, leasehold improvements and other assets used by Franchisee in its Delta Services Business from a responsible, arms' length, and fully disclosed purchaser and shall submit an exact copy of such Purchase Offer to Franchisor Franchisor will have a right of first refusal to purchase the Delta Services Business as provided in Section 16

15 7 No transfer or assignment of Franchisee's rights under this Agreement will be approved by Franchisor or be effective unless and until all the following conditions are satisfied

(a) Franchisee being then in full compliance herewith and paying to Franchisor all outstanding debts or amounts owing to Franchisor,

(b) the transferee executing Franchisor's then current franchise agreement (which may contain provisions substantially different from those contained herein, including a higher royalty, additional, different or higher fees, and greater expenditures for advertising and promotion than are provided hereunder, and such other documents then customarily used by Franchisor to grant franchises, and which will extend for a new 10-year term, but which shall not require the payment of another Initial Franchisee Fee), all other documents as may be reasonably requested by Franchisor and paying to Franchisor,

(c) Franchisee's paying to the Franchisor a transfer fee ("**Transfer Fee**") equal to fifty percent (50%) of the Initial Franchise Fee charged by Franchisor at the time of the transfer request if the transferee is an existing franchisee in the System, or seventy-five percent (75%) of the Initial Franchise Fee charged by Franchisor at the time of the transfer if the transferee is not currently a franchisee in the System,

(d) Franchisee's execution of a general release of Franchisor, including its officers, directors, agents and employees and Affiliates from such parties' obligations under the Agreement,

(e) the transferee purchasing all of Franchisee's assets used in the Delta Services Business in accordance with all applicable bulk sales legislation and assuming all of the liabilities of the Delta Services Business, including but not limited to all outstanding warranty liabilities, unless such liabilities have been paid prior to the closing of the transaction of purchase and sale or unless the sale is a sale of shares in the capital stock or membership interest of Franchisee,

(f) the transferee shall be an individual, corporation, limited liability company, partnership or other business entity having adequate financial resources who shall meet all criteria established by Franchisor for franchisees The transferee shall also complete Franchisor's then current training program established by Franchisor for transfer franchisees unless (i) the transferee is a current franchisee in good standing in the System, or (ii) the transferee is or has been an Operating Partner for a period of one (1) year or more of a Delta Services Business in good standing,

(g) Franchisee shall, at Franchisor's request, prepare and furnish to the transferee and/or Franchisor such financial reports and other data relating to the Delta Services Business and its operations as Franchisor deems reasonably necessary or appropriate for the transferee and/or Franchisor to evaluate the Delta Services Business and the proposed transfer Franchisee authorizes Franchisor to confer with a proposed transferee and furnish it with information concerning the Delta Services Business and the terms and conditions of the proposed transfer, and Franchisor may do so without any liability, except for intentional misstatements made to a transferee,

(h) the parties to the proposed transaction will have entered a binding agreement subject only to the rights of Franchisor set out in Section 16 Franchisor shall be furnished a copy of this binding agreement, and such agreement shall be subject to Franchisor's approval in writing Franchisee must advise each prospective transferee of this provision and the other terms of this Agreement,

(i) the proposed transferee or the stockholders, partners, members or owners of a beneficial interest in a proposed corporation, partnership, limited liability company or other entity transferee, providing jointly and severally such personal guarantees which Franchisor may request,

guaranteeing the proposed transferee's performance of its obligations under the agreements to be entered into,

(j) the proposed transferee shall have demonstrated to Franchisor's satisfaction that it, he or she will meet in all respects Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote its, his or her full time and best efforts to the operation of the Delta Services Business, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees Franchisor must be provided all information about the proposed transferee as Franchisor may reasonably require The proposed transferee shall have traveled to Franchisor's headquarters, at the proposed transferee's sole cost and expense, to meet with Franchisor as part of this approval process and prior to Franchisor's approval of the transfer of Franchisee's rights under this Agreement Because of the confidential information and trade secrets available to a franchisee, no assignment to a competitor of Franchisor will be permitted, and

(k) the transferee paying all costs of (i) Franchisor with respect to the granting of its approval, as hereinbefore contemplated, including but not limited to all of its legal costs with respect to the preparation and execution of the above noted Franchise Agreement, and all other documents then customarily used by Franchisor to grant franchises, and (ii) the transfer, including but not limited to all professional fees (attorney's fees, broker fees, and the like), leasing expenses, document preparation costs and due diligence

15 8 Notwithstanding anything to the contrary herein contained, Franchisor shall, upon Franchisee's compliance with such requirements as may from time to time be prescribed by Franchisor (including the obtaining of all necessary approvals to the assignment of leases, if any), consent to an assignment of Franchisee's right, title and interest in and to this Agreement, and the property and assets owned and used by Franchisee in connection therewith and any other agreement then in effect between Franchisee and Franchisor to a corporation, limited liability company or other Delta Services Business entity which is wholly owned and controlled by Franchisee, subject to the following (provided that such assignment shall in no way release Franchisee from any liability under this Agreement)

(a) Contemporaneously with such assignment and thereafter upon the appointment or election of any person as director, officer, partner or manager of such corporation, limited liability company or other business entity, such corporation, limited liability company, partnership or other Delta Services Business entity shall cause each shareholder, partner, member, manager, director(s) and officer(s) of the corporation, limited liability company, partnership or other business entity to execute a written agreement with Franchisor under seal, personally guaranteeing full payment and performance of Franchisee's obligations to Franchisor and individually undertaking to be bound, jointly and severally, by all the terms of this Agreement or any new current form of Franchise Agreement and jointly and severally liable,

(b) No shares or interest in the capital of such corporation, limited liability company, partnership or other business entity shall be issued nor shall Franchisee directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey, donate, pledge, mortgage or otherwise encumber any such shares or interest or offer or attempt to do so or permit the same to be done without Franchisor's prior written consent,

(c) The business entity shall maintain stop transfer instructions against the transfer of ownership certificates on its records subject to the restrictions of this Section and shall have all outstanding shares endorsed with the following legend printed conspicuously upon the face of each certificate

"The transfer of this certificate is subject to the terms and conditions of a certain Franchise Agreement with Delta Development Group Inc Reference is made to said Franchise Agreement and to the restrictive provisions of the articles of this corporation"

(d) The articles of incorporation, articles of organization, operating agreement, partnership agreement, shareholder agreement, and by-laws of the corporation, limited liability company, partnership or other business entity shall provide that its objectives or business is confined exclusively to the operation of the Delta Services Business as provided for in this Agreement, and recite that the issuance and transfer of any shares, membership interest, partnership interest or other interest is restricted by the terms of this Agreement, and copies thereof shall be furnished to Franchisor upon request,

(e) The Franchisor's consent to a transfer of any interest subject to the restrictions of this Section shall not constitute a waiver of any claim it may have against the assignor, nor shall it be deemed a waiver of the Franchisor's right to demand exact compliance with any of the terms of this Agreement by the assignee,

(f) The corporation, partnership, limited liability company or other business entity shall advise Franchisor and keep Franchisor current as to the names and addresses of the directors, managers, officers, members, partners and shareholder of and those persons financially involved in the corporation, partnership, limited liability company or other business entity, and

(g) The new franchisee agrees to devote its full time and best efforts to manage the day-to-day operations of the Delta Services Business unless it has an operational partner or Operating Partner approved by Franchisor

15 9 Upon the death or permanent disability of an individual Franchisee (or the controlling shareholder, member or partner if Franchisee is a legal entity), the personal representative of such person shall transfer all right, title and interest in this Agreement or such interest in Franchisee to any approved third party, which may include an heir or legatee that otherwise satisfies Franchisor's then-current standards and qualifications for new Franchisee Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance, provided such transfer is in accordance with the requirements of this Section 15 9) shall be completed within a reasonable time, not to exceed six (6) months from the date of death or Permanent Disability (unless extended by probate proceedings), and shall be subject to all the terms and conditions applicable to transfers contained in this Section Franchisor shall have the right, in Franchisor's sole discretion, to operate the Delta Services Business or to appoint a representative or designee to operate the Delta Services Business, for a period of up to one hundred eighty (180) days, or until such time as Franchisee's interest shall have been transferred to an approved third party, whichever occurs first Franchisor or the appointed representative shall be entitled to retain all revenues, and shall pay all operating expenses from the operation of the Delta Services Business, without the right to seek or require reimbursement by Franchisee's estate or personal representative, during the period of operation of the Delta Services Business Failure to transfer the interest in this Agreement or such interest in Franchisee within said period of time shall constitute a breach of this Agreement and shall entitle Franchisor to terminate this Agreement without further notice or the opportunity to cure For purposes hereof, the term **"Permanent Disability"** shall mean a mental or physical disability, impairment or condition that prevents Franchisee or Franchisee's controlling shareholder, member or partner from performing the essential functions of Franchisee

15 10 Any attempt by Franchisee to transfer any of its rights or interest under this Agreement or the License, without having received Franchisor's prior written consent, will constitute a material breach

of this Agreement However, if Franchisee dies and its personal representative does not desire to sell the Delta Services Business, and if under controlling local law Franchisee's interest in the Delta Services Business, the License and Agreement are distributable to heirs or legatees who are members of his or her immediate family and who otherwise would qualify as assignees, then such attempted assignment by operation of law will not be deemed in violation of this Agreement, provided that such heirs or legatees accept the conditions imposed on otherwise permitted assignees

15 11 Franchisee shall not have the right to grant a subfranchise

16 OPTION TO PURCHASE — RIGHT OF FIRST REFUSAL

16 1 Unless otherwise explicitly provided by this Agreement, Franchisor shall be entitled to exercise the rights provided in this Section immediately upon

(a) The expiration without the extension of Franchisee's rights to operate the Delta Services Business or the termination for any reason of the License or this Agreement,

(b) Any breach, default or other event that gives Franchisor the right to terminate the License or this Agreement, after expiration of any applicable notice and cure period, or

(c) The receipt by Franchisor of a copy of a Purchase Offer

16 2 Upon any event described in this Section 16 1, Franchisor or Franchisor's designee, which designee may be any third party selected by Franchisor, including another franchisee in the System, shall have the option to purchase all of Franchisee's rights, title and interest in the Delta Services Business, and all its improvements, furniture, fixtures, equipment and Products, and all of Franchisee's accounts, contract rights, work in progress and other Delta Services Business assets

16 3 The purchase price for assets itemized in Section 16 2 will be (i) the current fair market value if Sections 16 1(a) or 16 1(b) is applicable, or (ii) the price specified in the Purchase Offer received by Franchisee if Section 16 1(c) is applicable If Franchisee and Franchisor cannot agree on fair market value within a reasonable time, one independent appraiser will be designated by Franchisee and one independent appraiser will be designated by Franchisor and an average of the two appraised values will be binding Appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and Delta Services Business system licensed to Franchisee

16 4 If Franchisor elects to exercise any option to purchase provided in this Section 16, Franchisor will have the right to set off all amounts due from the Franchisee under the Franchise Agreement or any other agreements between the parties, any commissions or fees payable to any broker, agent or other intermediary and the cost of the appraisal, if any, against any payment Franchisor shall also have the right to substitute cash for any other form of consideration specified in the Purchase Offer and to pay in full the entire purchase price at the time of closing

16 5 Franchisor will notify Franchisee of its intention to exercise or not exercise its rights to purchase ("**Notice of Intent**") within sixty (60) days following an event described in Sections 16 1(a) or (b) or within fifteen (15) days following an event described in Section 16 1(c) The Notice of Intent will specify the assets to be purchased, and the current fair market value as determined by Franchisor if Sections 16 1(a) or 16 1(b) is applicable In the event Franchisor is purchasing the assets pursuant to Sections 16 1(a) or (b), Franchisee will have fourteen (14) days following receipt of Franchisor's Notice of Intent to object to any of the prices specified therein, and any disputes over pricing shall be resolved through appraisal as specified by Section 16 3 If Franchisor declines to exercise its rights under Section 16 1(c) within the

fifteen (15) day period described above, Franchisee may thereafter, sell or dispose of the Delta Services Business to the third party identified in the Purchase Offer in the event of a sale under Section 16 1(c), but not at a lower price nor on more favorable terms than set forth in the Purchase Offer, if any, or the Notice of Intent and subject to the prior written permission of the Franchisor and satisfaction of the other conditions to assignment set forth in Section 15 If the sale to such third party purchaser is not completed within ninety (90) days after Franchisor delivers the Notice of Intent to Franchisee, the Franchisor shall again have the right of first refusal herein provided If Franchisor declines to exercise its rights under Section 16 1(a) or 16 1(b), Franchisee may not sell or dispose of the Delta Services Business, without Franchisor's advanced written consent, which Franchisor has the right to withhold for any reason or no reason

16 6 If Franchisor provides Franchisee with its Notice of Intent to exercise its rights under this Section 16, the purchase and sale contemplated in this Section shall be consummated as soon as possible In the event Franchisor is purchasing the assets pursuant to Sections 16 1(a) or (b), following the delivery of a Notice of Intent as specified in Section 16 5, Franchisor or Franchisor's designee shall have the immediate right to take possession of the Delta Services Business and to carry on and develop the Delta Services Business for the exclusive benefit of Franchisor or its designee

17 DEFAULT AND TERMINATION

17 1 Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its services to Franchisee during the time period Franchisee is in default of this Agreement, (ii) step in and operate, for a period not to exceed six (6) calendar months, the Delta Services Business, in accordance with Section 17 19, or (iii) terminate this Agreement and all rights granted Franchisee hereunder, (subject to the provisions of applicable state law governing franchise termination and renewal), effective upon receipt of notice by Franchisee, addressed as provided in Section 18, upon the occurrence of any of the following events

(a) Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of Franchisor's Operations Manual, Confidential Information or Trade Secrets of Franchisor,

(b) Franchisee voluntarily abandons the Delta Services Business by advising Franchisor in writing of such intent to abandon, or actually abandons the Delta Services Business, for a period of two (2) consecutive days, or for any shorter period that indicates an intent by Franchisee to discontinue operation of the Delta Services Business, unless such abandonment is due to fire, flood, earthquake or other similar causes beyond Franchisee's control and not related to the availability of funds to Franchisee,

(c) Franchisee becomes insolvent or is adjudicated a bankrupt, or any action is taken by Franchisee, or by others against Franchisee under any insolvency, bankruptcy or reorganization act, or if Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed for Franchisee,

(d) Any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas or other appeal bond has been filed), or if execution is levied against Franchisee's Delta Services Business or any of the property used in the operation of the Delta Services Business and is not discharged within five (5) days, or if the real or personal property of Franchisee's Delta Services Business shall be sold after levy thereupon by any sheriff, marshal or constable,

(e) Franchisee, Franchisee's Operating Partner or any owner of greater than ten percent (10%) of the Franchisee business entity is charged with or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of Franchisor, to materially and unfavorably affect the System, Marks, goodwill or reputation thereof,

(f) Franchisee fails to pay any amounts due Franchisor or its Affiliates or suppliers, including any amounts due as the result of signing a promissory note in favor of Franchisor or any Affiliate for purposes of financing any part of the Initial Franchise Fee or any other payment or fee due to Franchisor under the terms of this Agreement, within 10 days after receiving notice that such fees or amounts are overdue,

(g) Franchisee misuses or fails to follow Franchisor's directions and guidelines concerning use of the Marks and fails to correct the misuse or failure within ten (10) days after notification from Franchisor,

(h) Franchisee has received two (2) notices of default with respect to Franchisee's obligations hereunder from Franchisor within a twelve (12) month period, regardless of whether the defaults were cured by Franchisee,

(i) Franchisee sells, transfers or otherwise assigns the Delta Services Business, an interest in the Delta Services Business or the Franchisee entity, this Agreement or a substantial portion of the assets of the Delta Services Business owned by Franchisee without complying with the provisions of Section 15,

(j) Franchisee submits on two (2) or more occasions during the Initial Term or any Interim Period a report, financial statement, tax return, schedule or other information or supporting record which understates its Gross Revenue by more than three percent (3%), unless Franchisee demonstrates that such understatement resulted from inadvertent error,

(k) Franchisee fails, or refuses, to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submits such reports more than five (5) days late on two (2) or more occasions during the Initial Term or any Interim Period unless due to circumstances beyond the control of Franchisee,

(l) Franchisee sells or offers for sale any unauthorized merchandise, product or service, engages in any unauthorized business or practice or sells any unauthorized product or service under the Marks or under a name or mark which is confusingly similar to the Marks,

(m) No initial site has been designated and accepted pursuant to Section 8 3 or no replacement site has been designated and accepted pursuant to Section 18,

(n) Franchisee loses possession or the right of possession of all or a significant part of the Delta Services Business through condemnation, casualty, lease termination or mortgage foreclosure and the Delta Services Business is not relocated or reopened as provided in Section 18,

(o) Franchisee contests in any court or proceeding the validity of, or Franchisor's ownership of the Marks or Copyrighted Materials,

(p) Franchisee is a corporation, limited liability company, partnership or other business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate such entity without Franchisor's prior written consent,

(q) Franchisee, its Operating Partner or any other Designated Employee fails to successfully complete the Franchisor's initial training course, retraining course, supplemental training course, or outside professional certification course as required by this Agreement and the Operations Manual,

(r) Franchisee receives from the Franchisor during the Initial Term and any Interim Period three (3) or more notices of default regardless whether such notices of default relate to the same or different defaults, or whether such defaults have been remedied by the Franchisee,

(s) Franchisee has two consecutive unexcused absences from any mandatory training program or meeting, or

(t) Any misrepresentation under Section 1 or any violation of Anti-Terrorism Laws by Franchisee, the Operating Partner, Franchisee's owners, agents or employees

17 2 Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its services to the Franchisee during the time period Franchisee is in default of this Agreement, (ii) step in and operate, during the period Franchisee is in default of this Agreement, but in no event for a period exceeding six (6) calendar months, the Delta Services Business, in accordance with Section 17 19 or (iii) terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon thirty (30) days written notice to Franchisee, if Franchisee breaches any other provision of this Agreement and fails to cure the default during such thirty (30) day period In the event that Franchisor elects to exercise Franchisor's rights under Section 17 2 (iii), this Agreement will terminate without further notice to Franchisee, effective upon expiration of the thirty (30) day notice and cure period Defaults shall include, but not be limited to, the following

(a) Franchisee fails to maintain the then-current operating procedures and standards established by Franchisor as set forth herein or in the Operations Manual or otherwise communicated to Franchisee,

(b) Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement,

(c) Franchisee fails or refuses to comply with the then-current requirements of the Operations Manual,

(d) Franchisee, or any partnership, joint venture, limited liability company, corporation or other business entity in which Franchisee has a controlling equity interest, defaults under any term of the Lease for the Premises or any other location used by Franchisee to operate the Delta Services Business, any other franchise agreement with Franchisor or any other agreement material to the Delta Services Business and such default is not cured within the time specified in such Lease, other franchise agreement or other agreement,

(e) Franchisee fails, refuses or neglects to submit a statement of monthly revenues as required by this Agreement or any other report required under the Agreement when due,

(f) Franchisee fails, refuses or neglects to accurately report Gross Revenues, sales information or other information required by Franchisor to be reported,

(g) Franchisee, the Operating Partner, or any designated employee fails to obtain and maintain any professional certification or license required by the terms of this Agreement or the Operations Manual,

(h) The Operating Partner is terminated by Franchisee or leaves the employment of Franchisee for any reason and a Replacement Operating Partner is not approved by Franchisor and employed by Franchisee within thirty days (30) of the departure of the previous Operating Partner,

(i) The Replacement Operating Partner fails to attend the next scheduled Operating Partner training session or fails to complete such training session to Franchisor's satisfaction,

(j) The Replacement Operating Partner fails to require all required professional certifications required by Franchisor within ninety (90) days of employment by Franchisee,

(k) Franchisee, the Operating Partner, or any owner of the Franchisee business entity acquires any direct or indirect interest in an asbestos abatement, mold testing business, or any other abatement or testing business without Franchisor's advanced written permission, which Franchisor has the right to withhold for any reason or no reason,

(l) Franchisee fails or refuses to utilize any software or computer system required by Franchisor under the terms of this Agreement and the Operations Manual,

(m) Franchisee continues to use the services of one or more subcontractors after receiving written notification from Franchisor that such subcontractor does not satisfy the requirements imposed by Franchisor in the Operations Manual or does not perform Services in accordance with the standards required by the terms of this Agreement and the Operations Manual,

(n) Franchisee uses advertising, marketing, or other written materials not approved in advance by Franchisor or after receiving written notice from Franchisor that use of such materials is no longer authorized or is prohibited, or

(o) Franchisee fails to comply with any other provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within ten (10) days (or thirty (30) days if this is the first non-compliance or breach) after written notice from Franchisor (which shall describe the action that Franchisee must take) is delivered to Franchisee

17 3 Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such thirty (30) day period and Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such thirty (30) day period, Franchisee shall be given an additional reasonable period of time to cure the same, but in no event longer than thirty (30) additional days

17 4 A termination of this Agreement by Franchisee shall be deemed to be a termination without cause and a breach hereof by Franchisee Franchisee agrees that it shall not, on grounds of an alleged nonperformance by Franchisor of any of its obligations or any other reason, withhold payment of any amount due to Franchisor whatsoever or set off amounts owed to Franchisor under this Agreement, against any monies owed to Franchisee, which right of set off is hereby expressly waived by Franchisee

17 5 No endorsement or statement on any check or payment of any sum less than the full sum due to Franchisor shall be construed as an acknowledgment of payment in full or an accord and satisfaction,

and Franchisor may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law Franchisor may apply any payments made by Franchisee against any past due indebtedness of Franchisee as Franchisor may see fit Franchisor may set off against any payment due to Franchisee hereunder any outstanding debts of Franchisee to Franchisor, and may, at Franchisor's option, pay Franchisee's trade creditors out of any sum otherwise due to Franchisee

17 6 Franchisee agrees to pay within five (5) days of the effective date of termination or expiration of the Franchise all amounts owed to Franchisor, any Affiliate of Franchisor, the landlord of the Premises used in the Delta Services Business, and the Franchisee's trade and other creditors which are then unpaid

17 7 All royalty and advertising contributions, all amounts due for goods purchased by Franchisee from time to time from Franchisor or its Affiliates and any other amounts owed to Franchisor or its Affiliates by Franchisee pursuant to this Agreement or any other agreement shall bear interest after the due date at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower, both before and after default, with interest on overdue interest at the aforesaid rate The acceptance of any interest payment shall not be construed as a waiver by Franchisor of its rights in respect of the default giving rise to such payment and shall be without prejudice to Franchisor's right to terminate this Agreement in respect of such default

17 8 Should Franchisee, or any partnership, joint venture, limited liability company or corporation in which Franchisee has a controlling equity interest, be a franchisee pursuant to another Franchise Agreement with Franchisor, respecting another franchised Delta Services Business using the Marks, a default under this Agreement shall constitute a default under such other Franchise Agreement and vice versa, with like remedies available to Franchisor Should such other Franchise Agreement cease to be valid, binding and in full force and effect for any reason then Franchisor may, at its option terminate this Agreement and this Agreement shall be forthwith surrendered by Franchisee and terminated, and likewise should this Agreement cease to be valid binding and in full force and effect for any, reason, Franchisor may at its option terminate the other Franchise Agreement and the other Franchise Agreement shall be forthwith surrendered and terminated In the event that there is more than one Franchisee, or if Franchisee should consist of more than one legal entity, Franchisee's liability hereunder shall be both joint and several A breach hereof by one such entity or Franchisee shall be deemed to be a breach by both or all

17 9 Franchisee agrees that upon termination or expiration of this Agreement, it shall take the following action

(a) Immediately discontinue the use of all Marks, signs, structures, forms of advertising, telephone listings, facsimile numbers, e-mail addresses, Disaster Recovery Vehicles, the Operations Manual, and all materials, Services and Products of any kind which are identified or associated with the System and return all these materials and Products to the Franchisor,

(b) Immediately turn over to Franchisor all materials, including the Operations Manual, customer lists and records, subcontractor lists and records, other records, files, instructions, brochures, advertising materials, agreements, Confidential Information, Trade Secrets and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Delta Services Business (all of which are acknowledged to be Franchisor's property) Under no circumstances shall Franchisee retain any printed or electronic copies of the Operations Manual, Confidential Information or Trade Secrets or portions thereof upon expiration or termination of this Agreement,

(c) Franchisee hereby acknowledges that all telephone numbers, facsimile numbers and Internet addresses used in the operation of the Delta Services Business constitute assets of the Delta Services Business, and upon termination or expiration of this Agreement, Franchisee shall take such action within five (5) days to cancel or assign to Franchisor or its designee as determined by Franchisor, all Franchisee's right, title and interest in and to Franchisee's telephone numbers, facsimile numbers and Internet addresses and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and Internet and e-mail addresses, and any regular, classified or other telephone directory listing associated with the Marks and to authorize a transfer of same to or at the direction of Franchisor Franchisee acknowledges as between Franchisor and Franchisee, Franchisor has the sole rights to, and interest in, all telephone numbers, facsimile numbers, directory listings and Internet addresses used by Franchisee to promote the Delta Services Business and/or associated with the Marks Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing **Attachment D** evidences such appointment,

(d) Make no representation nor state that Franchisee is in any way approved, endorsed or licensed by Franchisor or associated or identified with Franchisor or the System in any manner,

(e) Immediately take all steps necessary to amend or terminate any registration or filing of any d/b/a or business name or fictitious name or any other registration or filing containing the Marks so as to delete the Marks and all references to anything associated with the System,

(f) Provide Franchisor the option to purchase as set in Section 16, and

(g) Comply with the provisions of Section 10 8 and Section 14

17 10 If, within fifteen (15) days after termination or expiration of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the Delta Services Business, which are identified or associated with the System, Franchisor may enter the Delta Services Business to effect removal In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials

17 11 If, within fifteen (15) days after termination or expiration of this Agreement Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any Delta Services Business name or d/b/a or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, and in Franchisee's name, place and stead and on Franchisee's behalf, to take action as may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System

17 12 Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination or expiration

17 13 All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect notwithstanding such expiration or termination In particular, but without limiting the generality of the foregoing, the provisions of Articles 10, 12, 14 and 16, hereof shall survive termination or expiration of this Agreement

17 14 In the event that this Agreement expires or is terminated for any reason whatsoever and Franchisor is the lender under any loan agreement ("**Loan**") or the holder of any promissory note ("**Note**") or the holder of any personal property, security interest, chattel mortgage, debenture or mortgage of any nature whatsoever ("**Security Interest**") from Franchisee concerning assets used at any time by Franchisee in the Delta Services Business or which are situated on the Premises used by the Delta Services Business, such Loan, Note or Security Interest shall, upon the effective date of termination or expiration, immediately become fully due and payable as to all principal and interest so loaned and secured

17 15 If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice requirements hereof Such modifications to this Agreement shall be effective only in such jurisdiction and shall be enforced as originally made and entered into in all other jurisdictions

17 16 In the event of termination of the Agreement for any reason whatsoever the parties shall accept the default remedies contained herein as full and final satisfaction of all claims The parties waive, to the extent permitted by law, any claim against the other for punitive or exemplary damages, except for such punitive or exemplary damages for violation of the Lanham Act, trademark infringement or dilution, unauthorized dissemination of the Confidential Information or Trade Secrets or arising under the indemnification set out in Section 11 12

17 17 The rights of the parties hereto are cumulative and no exercise or enforcement by a party of any right or remedy hereunder shall preclude the exercise or enforcement by that party of any other right or remedy herein contained, or to which it is entitled by law

17 18 Nothing herein shall prevent Franchisor or Franchisee from seeking injunctive relief to prevent irreparable harm, in addition to all other remedies If it is necessary for Franchisor to seek preliminary or permanent injunctive relief, Franchisor may do so without a bond

17 19 If Franchisor provides Franchisee with written notice that Franchisee is in default of this Agreement in accordance with this Section 17, Franchisor shall have the right to assume operating control of the Delta Services Business from Franchisee by providing Franchisee with three (3) days advance written notice of such remedy Franchisor shall be entitled to receive compensation from Franchisee in an amount set forth in the Operations Manual for each day Franchisee's Delta Services Business is operated by Franchisor Franchisor's right to receive compensation, which shall be in addition to all other fees owed to Franchisor by Franchisee, will not be conditioned upon whether Franchisor operated the Delta Services Business at a profit or generated any revenue on Franchisee's behalf Under no circumstances shall Franchisor operate Franchisee's Delta Services Business for more than six consecutive calendar months, and Franchisor shall consult with Franchisee on a monthly basis during such operations period

17 20 THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN THE FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT

18 CONDEMNATION AND CASUALTY

18 1 Franchisee shall promptly advise Franchisor upon Franchisee's receipt of a notice of default or termination under Franchisee's Lease or mortgage, and shall promptly provide Franchisor a copy of the notice Franchisee shall also give Franchisor notice of any proposed taking of the Delta Services Business location or any portion thereof through the exercise of the power of eminent domain at the earliest

possible time If the Delta Services Business or a substantial part thereof is to be taken, the Delta Services Business may be relocated within the Area of Primary Responsibility specified in **Attachment A**, or elsewhere with Franchisor's written approval in accordance with Franchisor's relocation procedures If Franchisee opens a new Delta Services Business at another location in accordance with Franchisor's standards and general specifications within six (6) months of the closing of the old Delta Services Business, the new Delta Services Business shall be deemed to be the Delta Services Business licensed under this Agreement If a condemnation, lease termination or mortgage default takes place and a new Delta Services Business does not, for any reason, become the Delta Services Business as provided in this Section, then the License shall terminate upon notice by Franchisor

18 2 If the Delta Services Business is damaged, Franchisee shall expeditiously repair the damage If the damage or repair requires closing the Delta Services Business, Franchisee shall immediately notify Franchisor in writing, and shall

(a) Relocate the Delta Services Business as provided in Section 18 1, or

(b) Repair or rebuild the Delta Services Business in accordance with Franchisor's then existing standards and general specifications, and reopen the Delta Services Business for continuous business operations as soon as practicable (but in any event within three (3) months after closing the Delta Services Business), giving Franchisor thirty (30) days advance notice of the date of reopening

If the Delta Services Business is not (or, in the opinion of Franchisor cannot be) reopened in accordance with this Section, or relocated pursuant to Section 18 1, the License shall terminate upon notice to Franchisee

18 3 The Initial Term will not be extended by any interruption in the Delta Services Business's operations, except for an act of God that results in the Delta Services Business being closed not less than sixty (60) days nor more than one-hundred and eighty (180) days Franchisee must apply for any extension within thirty (30) days following the reopening of the Delta Services Business No event during the Term will excuse Franchisee from paying Royalty Fees, Call Center Fees, Technology Support Fees, Warranty Fund Contributions or Advertising Fees as provided in this Agreement

19 NOTICE

19 1 Any notice of default under this Agreement or the Lease shall be delivered personally or by courier to the appropriate location Any other notice, request, demand, approval, consent or other communication which the parties hereto may be required or permitted to be give hereunder shall be in writing and may be given to the party for whom it is intended by personal delivery, facsimile transmission or delivering it to such party by mailing it by prepaid registered mail, in the case of Franchisor to

FRANCHISOR

Delta Development Group, Inc
5535 West 56th Avenue
Suite 104
Arvada, Colorado 80002
Facsimile (303) 607-3614
Attention Michael Mastous

with a copy to (which shall not constitute notice)

Kevin P Hein
Alexius LLC
1509 York Street, Suite 300
Denver, Colorado 80206
Phone (720) 465-5001
khein@alexius co

FRANCHISEE

_____
_____
_____
Facsimile _____
Attention _____

with a copy to

_____
_____
_____
Facsimile _____
Attention _____

Any such notice or other document delivered personally or by facsimile transmission shall be deemed to have been received by and given to the addressee on the day of delivery and any such other notice or other document mailed as aforesaid, shall be deemed to have been received by and given to the addressee on the third (3rd) business day following the date of mailing Any party may at any time give notice in writing to any other party of any change of address

20 ARBITRATION

20 1 Except as otherwise provided in this Section, any controversy or dispute arising out of, or relating to the franchise or this Agreement including, but not limited to, any claim by Franchisee or any person in privity with or claiming through, on behalf of or in the right of Franchisee, concerning the entry into, performance under, or termination of, this Agreement or any other agreement entered into by Franchisor, or its subsidiaries or Affiliates, and Franchisee, any claim against a past or present employee, officer, director, member, shareholder or agent of Franchisor, any claim of breach of this Agreement, and any claims arising under State or Federal laws, shall be submitted to final and binding arbitration before a single arbitrator as the sole and exclusive remedy for any such controversy or dispute **"Persons in privity"** with or claiming through, on behalf of or in the right of Franchisee include but are not limited to, spouses and other immediate family members, heirs, executors, representatives, successors and assigns Subject to this Section, the right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act, as amended, and arbitration shall take place according to the commercial arbitration rules of the American Arbitration Association in effect as of the date the demand for arbitration is filed The arbitration shall be held in Denver, Colorado or, at the option of Franchisor, any city in which the Franchisor's headquarters are located at the time of the arbitration hearing However, arbitration will not be required to be used for any dispute which involves Franchisee's continued usage of any of the Marks or the System, Delta Services Business concept or any issue involving injunctive relief against Franchisee or any issues related to disclosure or misuse of Confidential Information or Trade Secrets, all of which issues may be submitted to a court within the State of Colorado The parties expressly consent to personal jurisdiction in the State of Colorado and agree that such court(s) will have exclusive jurisdiction over any such issues not subject to arbitration

20 2 The parties will agree to one (1) arbitrator for purposes of presiding over the arbitration proceeding required by this Section 20 The arbitrator shall be selected from a panel of neutral arbitrators provided by the American Arbitration Association and shall be chosen by the striking method In the event that the parties cannot mutually agree upon the choice of the arbitrator within thirty (30) days of the date the demand for arbitration is first filed, each party will select one (1) arbitrator and the two (2) so chosen will select an arbitrator to preside over the arbitration proceedings The parties each shall bear all of their own costs of arbitration, however, the fees of the arbitrator shall be divided equally between the parties The arbitrator shall have no authority to amend or modify the terms of this Agreement The award or decision by the arbitrator shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place The parties consent to the exercise of personal jurisdiction over them by such courts and to the propriety of venue of such courts for the purpose of carrying out this provision, and they waive any objections that they would otherwise have concerning such matters

20 3 Parties to arbitration under this Agreement shall include, by consolidation, joinder or in any other manner, any person other than the Franchisee and any person in privity with or claiming through, in the right of or on behalf of Franchisee or Franchisor, unless both parties consent in writing To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between Franchisor and Franchisee or any person in privity with or claiming through, in the right of or on behalf of Franchisee or Franchisor

20 4 The parties agree that any arbitration arising out of a dispute relating to this Agreement is only a matter between Franchisor and Franchisee and no other franchisees Franchisee agrees not to join or attempt to join other franchisees or licensees

21 MISCELLANEOUS

21 1 Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sections 1051 et seq) or other applicable federal law, this Agreement shall be interpreted under the laws of the State of Colorado, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of Colorado, which laws shall prevail in the event of any conflict of law, provided, however, the parties expressly agree that this Agreement is not intended to confer on any franchisee that is not a resident of, or operating its Delta Services Business in, the State of Colorado the benefit of any other Colorado law providing specific protection to franchisees living in or operating franchised Delta Services Businesses in the State of Colorado **FRANCHISEE AND FRANCHISOR HAVE NEGOTIATED REGARDING A FORUM IN WHICH TO RESOLVE ANY DISPUTES WHICH MAY ARISE BETWEEN THEM AND HAVE AGREED TO SELECT A FORUM IN ORDER TO PROMOTE STABILITY IN THEIR RELATIONSHIP THEREFORE, IF A CLAIM IS ASSERTED IN ANY LEGAL PROCEEDING INVOLVING FRANCHISEE, ITS OFFICERS DIRECTORS, MANAGERS, MEMBERS, OR PARTNERS AND FRANCHISOR, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, MANAGERS, MEMBERS, EMPLOYEES OR AFFILIATES OF BOTH PARTIES AGREE THAT THE EXCLUSIVE VENUE FOR DISPUTES BETWEEN THEM SHALL BE IN THE STATE OF COLORADO AND EACH WAIVE ANY OBJECTION EITHER MAY HAVE TO THE PERSONAL JURISDICTION OF OR VENUE IN THE STATE OF COLORADO FRANCHISEE IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND WAIVES ANY OBJECTION FRANCHISEE MAY HAVE TO EITHER THE JURISDICTION OR VENUE IN SUCH COURT FRANCHISOR AND FRANCHISEE FURTHER WAIVE EACH OF THEIR RIGHTS TO A JURY TRIAL FOR ANY MATTER THAT IS TRIED BEFORE A COURT OF LAW**

21 2 All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, all partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable

21 3 If either party institutes a legal proceeding, including court proceedings or arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law

21 4 No failure, forbearance, neglect or delay of any kind on the part of Franchisor in connection with the enforcement or exercise of any rights under this Agreement shall affect or diminish Franchisor's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific performance, or otherwise No custom, usage or practice with regard to this Agreement by Franchisee or Franchisor's other franchisees shall preclude the strict enforcement of this Agreement in accordance with its literal terms No waiver by Franchisor of performance of any provision of this Agreement shall constitute or be implied as a waiver of Franchisor's right to enforce that provision at any future time No interpretation, change, termination or waiver of any provision of this Agreement, and no consent or approval under this Agreement, shall be binding upon Franchisee or Franchisor or effective unless in writing signed by Franchisee and Franchisor's Chief Executive Officer, President or Vice President, except that a waiver need be signed only by the party waiving

21 5 This Agreement, together with the Operations Manual, any written related agreements, all Exhibits, Attachments, and the State-Specific Addenda attached to the Disclosure Document as **Exhibit E**, constitutes the entire understanding and agreement between Franchisee and Franchisor and supersedes all prior understandings, whether oral or written, pertaining to this Agreement, License, System or Delta

Services Business However, nothing in this Agreement or any related agreement is intended to disclaim Franchisor's representations made in the Franchise Disclosure Document

21 6 The headings of the sections hereof are for convenience only and do not define, limit or construe the contents of the sections of such Sections or other Sections The term "**Franchisee**" as used herein is applicable to one (1) or more persons, a corporation, limited liability company, a partnership or other business entity, as the case may be, and the singular usage (where applicable) includes the plural and the masculine and neuter usages (where applicable) include the other and the feminine The term Lease shall include a sublease, and a renewal or extension of a lease or sublease Time shall be of the essence of this Agreement and of every part thereof

21 7 When calculating the date upon which or the time within which any act is to be done pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded, if the last day of such period is a non-business day, the period in question shall end on the next business day Time shall be of the essence of this Agreement and of every part thereof

21 8 Neither party hereto shall be liable for any loss or damage due to any delay in the due performance of the terms hereof (except for the payment of money) by reason of strikes, lockouts and other labor relations, fires, riots, wars, embargoes and civil commotion, or acts of God ("**Force Majeure Event**") Any such delay shall extend performance only so long as such event is in progress except such Force Majeure Event will not affect or change Franchisee's obligation to pay Royalty Fees, National Marketing Fees, and Warranty Fees when due Notwithstanding the foregoing, if there is a Force Majeure Event, Franchisor, may in its sole discretion, elect to waive the Royalty Fees, Call Center Fees, Technology Support Fees, Warranty Fund Contributions and National Marketing Fees during the period of delay caused by the Force Majeure Event or such shorter period, and Franchisee shall purchase business interruption insurance in an amount reasonably calculated to cover such amounts due to Franchisor

21 9 Franchisee shall execute and deliver such further instruments, contracts, forms and other documents, and shall perform such further acts, as may be necessary or desirable, to carry out, complete and perform all terms, covenants and obligations herein contained Franchisee hereby irrevocably appoints Franchisor as his attorney, and hereby empowers Franchisor to execute such instruments regarding the Marks for and in Franchisee's name in order to give full effect to Sections 10, 11 12, 15, and 17 of this Agreement Franchisee hereby declares that the powers of attorney herein granted may be exercised during any subsequent legal incapacity on its part

21 10 This Agreement shall be binding upon, and subject to Section 15 hereof, shall inure to the benefit of, Franchisee's successors and permitted assigns

21 11 This Agreement may only be modified or amended by a written document executed by Franchisee and Franchisor Franchisee acknowledges that Franchisor has the right to modify its standards and specifications and operating and marketing techniques set forth in the Operations Manual unilaterally under any conditions and to the extent in which Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Marks, and the quality of the System, but under no circumstances will such modifications be made arbitrarily without such determination Notwithstanding anything herein to the contrary, Franchisor shall have the right unilaterally to reduce the scope of any covenants of Franchisee contained in this Agreement upon notice to Franchisee, whereupon Franchisee shall comply therewith as so modified

21 12 From time to time, Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of Franchisor or independent contractors which Franchisor has contracted with to provide such services

Franchisee agrees in advance to any such delegation by Franchisor of any portion or all of its obligations and duties hereunder

22 ACKNOWLEDGEMENT

BEFORE SIGNING THIS AGREEMENT, FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL

FRANCHISEE ACKNOWLEDGES THAT

1 NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS DOCUMENT, AND IN ANY DISCLOSURE DOCUMENT SUPPLIED TO FRANCHISEE, IS BINDING ON FRANCHISOR IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT, AND

2 FRANCHISEE HAD A COMPLETE COPY OF THIS AGREEMENT, IN THE FORM ATTACHED TO FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT, IN ITS POSSESSION FOR A PERIOD OF TIME NOT LESS THAN FOURTEEN (14) CALENDAR DAYS, DURING WHICH TIME FRANCHISEE HAD THE OPPORTUNITY TO SUBMIT SAME FOR PROFESSIONAL REVIEW AND ADVICE OF FRANCHISEE'S CHOOSING PRIOR TO FREELY EXECUTING THIS AGREEMENT FRANCHISEE ACKNOWLEDGES THAT IT HAS HAD AMPLE TIME AND OPPORTUNITY TO INVESTIGATE FRANCHISOR'S DELTA SERVICES BUSINESS AND TO CONSULT WITH LEGAL AND FINANCIAL ADVISORS OF ITS CHOICE

3 FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE SYSTEM AND RECOGNIZES THAT THE DELTA SERVICES BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT AND ITS SUCCESS INVOLVES SUBSTANTIAL BUSINESS RISK AND WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE DELTA SERVICES BUSINESS FRANCHISEE HEREBY ASSUMES THE RESPONSIBILITY FOR ITS SUCCESS OR FAILURE OF THE DELTA SERVICES BUSINESS VENTURE

4 EXCEPT AS EXPRESSLY SET FORTH IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT, FRANCHISOR HAS NOT PROVIDED ANY STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION OF ACTUAL, AVERAGE, PROJECTED, FORECASTED OR POTENTIAL PURCHASES, SALE, COST, EARNINGS, INCOME OR PROFITS TO FRANCHISEE

5 FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY ASSURANCE, WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, EARNINGS OR SUCCESS OF THE DELTA SERVICES BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT

[The remainder of this page has been intentionally left blank]

This entire Agreement, including corrections, changes, and all attachments and addenda, will only be binding upon Franchisor when executed or initialed by Franchisor's authorized representative

Franchisee and Franchisor, intending to be legally bound, have duly executed, sealed, and delivered three (3) original versions of this Agreement on this ____ day of _____ 20___

FRANCHISOR

DELTA DEVELOPMENT GROUP, INC

By _____
Its _____
Date _____

FRANCHISEE

_____

IF AN INDIVIDUAL

_____
Franchisee, Individually
Date _____

IF A PARTNERSHIP, CORPORATION OR OTHER ENTITY

By _____
Its _____
Date _____

STATE OF _____)
COUNTY OF _____)

Be it remembered, that on this _____ day of _____ 20__, before me, the subscriber, a Notary Public in and for said State, personally appeared _____, to me personally known and known to be the same person whose name is signed to the foregoing instrument, and acknowledged the execution thereof for the uses and purposes therein set forth

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal on the day and year last aforesaid

My Commission Expires

_____ _____

Notary Public

STATE OF _____)
COUNTY OF _____)

Be it remembered, that on this ____ day of _____ 20__, before me, the subscriber, a Notary Public in and for said State, personally appeared _____, president/general partner/managing member of _____, the corporation/partnership/other entity (a business entity whose name is subscribed to and which executed the foregoing instrument, and for himself and as such officer and for and on behalf of said business entity, acknowledged the signing and execution of said instrument, and that the signing and execution of said instrument is his free and voluntary act and deed as such officer, and the free and voluntary act and deed of said business entity, for the uses and purposes in said instrument mentioned

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal on the day and year last aforesaid

My Commission Expires

_____ _____

Notary Public

ATTACHMENT A
TO FRANCHISE AGREEMENT

AREA OF PRIMARY RESPONSIBILITY, INITIAL FRANCHISE FEE, ROYALTY CALCULATION, AND PROJECTED OPENING DATE

Area of Primary Responsibility _____

Population _____

Base Initial Franchise Fee _____

OR

VetFran Initial Franchise Fee _____

Supplemental Territory Fee for expanded Area of Responsibility _____

Total Initial Franchise Fee _____

Royalty Calculation

Construction Revenue	The greater of four percent (4%) of Gross Revenue for construction services, reconstruction services, and asbestos abatement-related services, or the Minimum Royalty
Mitigation Revenue	The greater of eight percent (8%) of Gross Revenue for mitigation services, which includes contents-related work and structural cleaning, or the Minimum Royalty

Projected Opening Date _____

FRANCHISEE ACKNOWLEDGMENT

_____
Name

_____
Date

FRANCHISOR ACKNOWLEDGMENT

_____
Name

_____
Date

ATTACHMENT B
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Franchise Agreement executed between _____ and **Delta Development Group, Inc**, a Colorado Corporation having its head office at _____ ("**Franchisor**"), each of the undersigned hereby personally and unconditionally

1 Guarantees to the Franchisor and its successors and assigns, for the Initial Term, including any Interim Period, that _____ ("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and

2 Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, including but not limited to the terms of Section 14

Each of the undersigned waives the following

1 Acceptance and notice of acceptance by the Franchisor of the foregoing undertaking,

2 Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed,

3 Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed,

4 Any right he or she may have to require that any action be brought against the Franchisee or any other person as a condition of liability, and

5 Any and all other notices and legal or equitable defenses to which he or she may be entitled

Each of the undersigned consents and agrees that

1 His or her direct and immediate liability under this guaranty shall be joint and several,

2 He or she shall render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so,

3 Such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against the Franchisee or any other person, and

4 Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to the Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the Initial Term, including any Interim Period

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature effective on the same day and year as the Agreement was executed

WITNESS	**GUARANTOR(S)**
_____	_____
_____	_____
_____	_____
_____	_____

ACKNOWLEDGMENTS OF GUARANTOR SIGNATURES

STATE OF _____)
COUNTY OF _____)

Be it remembered, that on this _____day of _____ 20__, before me, the subscriber, a Notary Public in and for said State, personally appeared _____, to me personally known and known to be the same person whose name is signed to the foregoing instrument, and acknowledged the execution thereof for the uses and purposes therein set forth

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal on the day and year last aforesaid

My Commission Expires

_____ _____
Notary Public

STATE OF _____)
COUNTY OF _____)

Be it remembered, that on this _____day of _____ 20__, before me, the subscriber, a Notary Public in and for said State, personally appeared _____, to me personally known and known to be the same person whose name is signed to the foregoing instrument, and acknowledged the execution thereof for the uses and purposes therein set forth

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal on the day and year last aforesaid

My Commission Expires

_____ _____
Notary Public

STATE OF _____)
COUNTY OF _____)

Be it remembered, that on this _____day of _____ 20__, before me, the subscriber, a Notary Public in and for said State, personally appeared _____, to me personally known and known to be the same person whose name is signed to the foregoing instrument, and acknowledged the execution thereof for the uses and purposes therein set forth

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal on the day and year last aforesaid

My Commission Expires

_____ _____

Notary Public

STATE OF _____)
COUNTY OF _____)

Be it remembered, that on this _____day of _____ 20__, before me, the subscriber, a Notary Public in and for said State, personally appeared _____, to me personally known and known to be the same person whose name is signed to the foregoing instrument, and acknowledged the execution thereof for the uses and purposes therein set forth

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal on the day and year last aforesaid

My Commission Expires

_____ _____

Notary Public

ACKNOWLEDGMENT

Franchisee, and its shareholders and partners, as applicable, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply herewith and be bound hereby

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the first date set forth above

ACCEPTED on this ___ day of _____ 20___

DELTA DEVELOPMENT GROUP, INC

By _____

Its _____

FRANCHISEE

By _____

Its _____

_____

an Individual

_____

an Individual

ATTACHMENT C
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchisee _____
Trade Name (if different from above) _____

Form of Ownership
(check one)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member

_____
_____
_____
_____

The Franchisee acknowledges that this Statement of Ownership applies to the Delta Services Business authorized under the Franchise Agreement

Use additional sheets if necessary Any and all changes to the above information must be reported to the Franchisor in writing

_____ _____
Date Name

ATTACHMENT D
TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, TELEPHONE LISTINGS AND INTERNET ADDRESSES

THIS ASSIGNMENT is entered into this ____ day of _____ 20__, in accordance with the terms of the Delta Development Group, Inc Franchise Agreement ("**Franchise Agreement**") between _____ ("**Franchisee**") and Delta Development Group, Inc ("**Franchisor**"), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate a Delta Services Business Franchise located at _____ ("**Delta Services Business**")

FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor (1) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "**Telephone Numbers and Listings**") and (2) those certain Internet Website Addresses ("**URLs**") associated with Franchisor's trade and service marks and used from time to time in connection with the operation of the Delta Services Business at the address provided above This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as "**Telephone Company**") and/or Franchisee's internet service provider ("**ISP**") to effectuate the assignment pursuant to the terms hereof

Upon termination or expiration of the Franchise Agreement (without extension of Franchisee's rights to operate the Delta Services Business), Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers, the Listings and the URLs, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers, Listings and URLs, and shall remain liable to the Telephone Company and the ISP for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment hereunder

Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Telephone Numbers, Listings and URLs, and Franchisee appoints Franchisor as Franchisee's true and lawful attorney-in-fact to direct the Telephone Company and the ISP to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment Upon such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Telephone Numbers, Listings and URLs to Franchisor If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers, Listings and URLs to Franchisor, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor The parties agree that the Telephone Company and the ISP may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Numbers, Listings, and URLs upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company's and ISP's receipt of such notice from Franchisor or Franchisee The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist

in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement

ASSIGNEE	**ASSIGNOR**
Delta Development Group, Inc	**Franchisee**
By _____	By _____
Its _____	Its _____

ATTACHMENT E
TO FRANCHISE AGREEMENT

LEASE ADDENDUM

This Addendum to Lease ("**Addendum**"), dated _____, 20___, is entered into by and between _____ ("**Lessor**"), and _____ ("**Lessee**") In the event of any contradiction or inconsistency between the terms and provisions of this Addendum and the terms and provisions of the Lease to which it is attached, the terms and provisions of this Addendum shall control and be interpreted in such a manner as to override any provision of the Lease which would prevent the spirit and letter of the terms and provisions of this Addendum from being given full force and effect All defined terms not specifically defined in this Addendum shall be given the same meaning as the defined terms in the Lease

A The parties hereto have entered into a certain Lease Agreement ("**Lease**"), dated _____, 20___, and pertaining to the premises located at _____ ("**Premises**")

B Lessor acknowledges that Lessee intends to operate a Delta Disaster Services franchise from the leased Premises pursuant to a Franchise Agreement ("**Franchise Agreement**") with Delta Development Group, Inc ("**Franchisor**") under the name "DELTA DISASTER SERVICES®" or other name designated by Franchisor (herein referred to as "**Franchised Business**")

C The parties now desire to amend the Lease in accordance with the terms and conditions contained herein

NOW, THEREFORE, it is hereby mutually covenanted and agreed between Lessor and Lessee as follows

1 Remodeling and Decor Lessor agrees that Lessee shall have the right to remodel, equip, paint and decorate the interior of the Premises and to display the proprietary marks and signs on the interior and exterior of the Premises as Lessee is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Lessee may operate the Franchised Business on the Premises

2 Assignment or Subletting Lessee shall agree to attorn to any assignee of Lessor provided such assignee will agree not to disturb Lessee's possession of Premises Lessee shall have the right to assign or sublet all of its right, title and interest in the Lease, at any time during the term of the Lease, including any extensions or renewals thereof, without charge and without first obtaining Lessor's consent in accordance with the Collateral Assignment of Lease attached hereto as **Attachment E-1** (a) to Franchisor or Franchisor's parent, subsidiary, or affiliate, (b) to a duly authorized franchisee of Franchisor, (c) in connection with a merger, acquisition, reorganization or consolidation, or (d) in connection with the sale of Lessee's corporate stock or assets However, no assignment or sublease shall be effective until such time as Franchisor or its designated affiliate gives Lessor written notice of its acceptance of the assignment, and nothing contained herein or in any other document shall constitute Franchisor or its designated subsidiary or affiliate a party to the Lease, or guarantor thereof, and shall not create any liability or obligation of Franchisor or Franchisor's parent, subsidiary or affiliate unless and until the Lease is assigned or sublet to, and accepted in writing by, Franchisor or Franchisor's parent, subsidiary or affiliate In the event of any assignment or sublease, Lessee shall at all times remain liable under the terms of the Lease Franchisor shall have the right to reassign or sublease the Lease to another franchisee without the Lessor's consent in accordance with Section 4(a) Lessor understands and agrees that, in connection with Lessee's

assignment or subletting of the Lease to a duly authorized franchisee of Franchisor, Franchisor shall be permitted to charge "additional rent" or "percentage rent" or other charges to its franchisee as part of its regular plan of franchising, and Lessor shall not be entitled to any consideration or additional rent as a result of any fees paid to Franchisor by franchisee pursuant to the Lease or otherwise

3 Default and Notice

(a) In the event there is a default or violation by Lessee under the terms of the Lease, Lessor shall give Lessee and Franchisor written notice of the default or violation within a reasonable time after Lessor receives knowledge of its occurrence If Lessor gives Lessee a default notice, Lessor shall contemporaneously give Franchisor a copy of the notice Franchisor shall have the right, but not the obligation, to cure the default Franchisor will notify Lessor whether it intends to cure the default and take an automatic assignment of Lessee's interest as provided in Paragraph 4(a) Franchisor will have an additional fifteen (15) days from the expiration of Lessee's cure period in which it may exercise the option, but it is not obligated to cure the default or violation

(b) All notices to Franchisor shall be sent by registered or certified mail, postage prepaid, or by a recognized overnight courier or delivery services to the following address

Delta Development Group, Inc
5535 West 56th Avenue
Suite 104
Arvada, Colorado 80002
Attention President
Phone (303) _____
Fax (303) _____

and a copy (which shall not constitute Notice) to

Kevin P Hein
Alexius LLC
1509 York Street, Suite 300
Denver, Colorado 80206
Phone (720) 465-5001
khein@alexius co

Franchisor may change its address for receiving notices by giving Lessor written notice of the new address Lessor agrees that it will notify both Lessee and Franchisor of any change in Lessor's mailing address to which notices should be sent

(c) Following Franchisor's approval of the Lease, Lessee agrees not to terminate, or in any way alter or amend the same during the Term of the Franchise Agreement or any extension thereof without Franchisor's prior written consent, which shall be granted or denied in Franchisor's sole discretion, and any attempted termination, alteration or amendment shall be null and void and have no effect as to Franchisor's interests thereunder, and a clause to the effect shall be included in the Lease

4 Termination or Expiration

(a) Upon Lessee's default and failure to cure the default within the applicable cure period, if any, under either the Lease or the Franchise Agreement, Franchisor will, at its option, have the right, but not the obligation, to take an automatic assignment of Lessee's interest and at any time thereafter

to re-assign or sublet the Lease to a new franchisee without Lessor's consent and to be fully released from any and all liability to Lessor upon the reassignment, provided Franchisee agrees to assume Lessee's obligations and the Lease

(b) Upon the expiration or termination of either the Lease or the Franchise Agreement, Lessor will cooperate with and assist Franchisor in securing possession of the Premises and if Franchisor does not elect to take an assignment of the Lessee's interest, Lessor will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the "DELTA DISASTER SERVICES®" marks and system, and to distinguish the Premises from a Franchised Business In the event Franchisor exercises its option to purchase assets of Lessee, Lessor shall permit Franchisor to remove all the assets being purchased by Franchisor

5 Consideration, No Liability

(a) Lessor hereby acknowledges that the provisions of this Addendum to Lease are required pursuant to the Franchise Agreement under which Lessee plans to operate its Franchised Business and Lessee would not lease the Premises without this Addendum Lessor also hereby consents to the Collateral Assignment of Lease from Lessee to Franchisor as evidenced by **Attachment E-1**

(b) Lessor further acknowledges that Lessee is not an agent or employee of Franchisor and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Lessor has entered into this Addendum to Lease with full understanding that it creates no duties, obligations or liabilities of or against Franchisor or any affiliate of Franchisor

6 No Relocation Clause Any relocation clause found in the Lease is hereby deleted

7 Casualty And Condemnation In the event the Premises are completely or partially damaged by fire or other casualty or are condemned by a governmental agency in whole or in part, such that the Premises cannot, in Lessee's reasonable business judgment, be used by Lessee for its intended purposes, or can only be partially used by Lessee (it being understood that Lessee, in its reasonable business judgment, shall decide whether to remain open prior to the completion of repairs to the Premises) and this Lease is not terminated as otherwise provided in this Lease, there shall be an equitable abatement of rent and other charges payable by Lessee hereunder for any days the Lessee cannot use the entire Premises In the event the Premises are not repaired or restored by Lessor within 180 days after the date of the casualty or condemnation, Lessee may elect to terminate this Lease upon 30 days prior written notice to Lessor

8 Common Areas - No Changes Lessor shall not change or alter the common areas in any manner which would alter the dimensions or location of the Premises or adversely affect the use, operation or conduct of Lessee's business being conducted in the Premises, adversely affect the accessibility or visibility of the Premises or reduce the existing parking facilities of the industrial park or the building by more than 10%

9 Hazardous Materials Lessor represents and warrants that the Premises are free of all asbestos, asbestos containing materials and other hazardous or toxic materials (collectively, "**Hazardous Materials**") Notwithstanding any provision of this Lease to the contrary, Lessee shall have no obligation to make any repairs, alterations or improvements to the Premises or incur any costs or expenses whatsoever as a result of Hazardous Materials in or about the industrial park, the building or the Premises, other than those Hazardous Materials brought onto such areas by Lessee Lessor shall be solely responsible for any

changes to the Premises relating to Hazardous Materials, unless those Hazardous Materials were brought onto the Premises by Lessee Lessor shall indemnify and hold Lessee harmless from and against all liabilities, costs, damages and expenses which Lessee may incur (including reasonable attorneys' fees) as the result of a breach of Lessor's representation and warranty set forth in this paragraph or the presence of Hazardous Materials in or about the industrial park, the building or the Premises, unless those Hazardous Materials were brought onto such areas by Lessee

10 Insurance and Waiver of Subrogation Lessee may maintain the required liability insurance in the form of a blanket policy covering other locations of Lessee in addition to the Premises Lessee may self insure plate glass, so long as Lessee agrees not to hold Lessor liable for any losses resulting to plate glass Whenever (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty is incurred to the Premises or contents thereof by either party to this Lease, and (ii) such party is covered in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party from any liability it may have on account of such loss, cost, damage or expense to the extent of any amount recovered by such insurance

11 Lessor Warranties Lessor represents, covenants and warrants (i) that Lessor has lawful title to the industrial park and the building and has full right, power and authority to enter into this Lease, (ii) that the industrial park and the building are in compliance with the Americans with Disabilities Act ("**ADA**"), (iii) that the permitted "use" of the Premises does not currently violate the terms of any of Lessor's insurance policies, (iv) that Lessor currently maintains all risk of physical loss coverage for the full replacement cost of the industrial park and the building and shall maintain throughout the term of this Lease general liability insurance coverage for the industrial park and the building consistent with that being maintained from time to time by reasonably prudent owners of properties similar to the industrial park in the same area, and (v) that so long as Lessee pays all monetary obligations due under this Lease and performs all other covenants contained herein, Lessee shall peacefully and quietly have, hold, occupy and enjoy the Premises during the term of this Lease and its use and occupancy thereof shall not be disturbed Lessor covenants and agrees that Lessor shall take no action that will interfere with Lessee's intended usage of the Premises Lessor shall indemnify and hold harmless Lessee and its officers, partners, agents and employees from and against any loss, cost, liability, damage or expense arising out of (x) Lessor's operation of the industrial park and the building, (y) Lessor's breach in the performance of any of its obligations under this Lease, or (z) any violation of law by Lessor or any other act or omission of Lessor or its contractors, agents or employees The foregoing indemnification shall survive expiration or termination of this Lease

12 Lessor Work And Repair Lessor shall perform all work described in the Lease and Exhibit __ attached hereto and incorporated herein Lessor shall be responsible for the payment of all tap fees and system development fees incurred in connection with Lessor's provision of utilities to the Premises Utilities shall be "stubbed" to the Premises at no cost to Lessee All Lessor work shall be performed in a workmanlike manner with quality materials in compliance with all laws, codes and all regulations If Lessor's work is not performed as herein required, or if such work or the industrial park or building is not in compliance with all laws, codes or other regulations, Lessor shall perform the necessary remedial work at its sole cost and expense Lessor covenants and agrees, at its sole cost and expense and without reimbursement or contribution by Lessee, to keep, maintain and replace, if necessary, the foundations, the exterior paint, the plumbing system, the electrical system, the utility and sewer lines and connections to the Premises, the sprinkler mains, if any, structural systems including, without limitation, the roof, roof membrane, roof covering (including interior ceiling if damaged by leakage), load-bearing walls, floor slabs and masonry walls in good condition and repair

13 Mitigation Lessor shall use reasonable efforts to mitigate its damages in the event of a Lessee default

14 Lessee Financing Lessee shall have the right from time to time during the term of the Lease, and without Lessor's prior approval, to grant and assign a mortgage or other security interest in Lessee's interest under this Lease and all of Lessee's personal property located within the Premises to its lenders in connection with Lessee's financing arrangements and any lien of Lessor against Lessee's personal property (whether by statute or under the terms of this Lease) shall be subject and subordinate to such security interest Lessor shall execute such documents as Lessee's lenders may reasonably request in connection with any such financing

15 Removal Of Trade Dress/Personal Property Lessor shall permit Lessee fifteen (15) days from the termination or expiration of the Lease to remove Lessee's property Lessor shall permit Lessee to remove its trade dress within fifteen (15) days after the termination or expiration of the Lease or within fifteen (15) days after Lessee has received proper notice from Lessor of the termination or expiration pursuant to Section __, whichever later occurs

16 Alterations Lessor's consent shall not be required for non-structural or non-mechanical alterations, additions or changes to the Premises

17 Amendments No amendment or variation of the terms of the Lease or this Addendum to the Lease shall be valid unless made in writing and signed by the parties hereto

18 Reaffirmation of Lease Except as amended or modified herein, all of the terms, conditions and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Agreement as though copies herein in full

19 Beneficiary Lessor and Lessee expressly agree that Franchisor is a third party beneficiary of this Addendum

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto as of the day, month and year first written above

LESSOR	**LESSEE**
_____	_____
By _____	**By** _____
Title _____	**Title** _____

ATTACHMENT E-1
TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the _____ day of _____, 20__ ("**Effective Date**"), the undersigned, _____ ("**Assignor**"), hereby assigns, transfers and sets over unto Delta Development Group, Inc ("**Assignee**") all of Assignor's right, title and interest as Lessee, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A** ("**Lease**") with respect to the premises located at _____ ("**Premises**") This Collateral Assignment of Lease ("**Assignment**") is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee shall take possession of the Premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the Premises demised thereby

Upon a default by Assignor under the Lease or under that certain franchise agreement ("**Franchise Agreement**") for a Delta Disaster Services Franchised Business between Assignee and Assignor, or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor therefrom, and, in that event, Assignor shall have no further right, title or interest in the Lease

Assignor agrees it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day that said option must be exercised, unless Assignee otherwise agrees or instructs in writing Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal

IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written

ASSIGNOR	ASSIGNEE
_____	DELTA DEVELOPMENT GROUP, INC
By _____	By _____
Its _____	Its _____

EXHIBIT A

LEASE

With Respect to Premises Located at

_____

(To Be Attached)

ATTACHMENT F
TO FRANCHISE AGREEMENT

TRAINING PREREQUISITES

ATTACHMENT F-1
TO FRANCHISE AGREEMENT

PRE-TRAINING PREREQUISITES

The following two prerequisites (**"Pre-Training Prerequisites"**) must be completed in full before a place can be reserved for Franchisee and Franchisee's Designated Employees in Franchisor's initial training program

TASKS	ESTIMATED COMPLETION TIME	DATE COMPLETED	INITIALS
Complete Water Damage Restoration Technician Course	3 Days		
Complete Fire, Smoke, and Odor Restoration Technician Course	3 Days		

Once each of these courses have been completed, please sign this certification form and submit it to Franchisor's headquarters Upon receipt of this completed form, Franchisee and Franchisee's Designated Employees can be scheduled for training

FRANCHISEE CERTIFICATION

I certify that on or before _____, 20__, I completed each of the above-referenced Pre-Training Prerequisites and I am ready to schedule training

FRANCHISEE

_____

By _____
(Printed Name)

Its _____

Date _____

DESIGNATED EMPLOYEE (if required)

_____

By _____
(Printed Name)

Date _____

ATTACHMENT F-2
TO FRANCHISE AGREEMENT

POST-TRAINING COURSE

The following post-training course ("**Post-Training Course**") must be completed prior to opening the Delta Services Business

TASKS	ESTIMATED COMPLETION TIME	DATE COMPLETED	INITIALS
Complete Applied Microbial Remediation Technician Course	4 Days		
Lead Paint Training Course (typically directed by the U S Environmental Protection Agency)	3 Hours		

Once this course has been completed by all required parties, please sign this certification form and submit it to Franchisor's headquarters Please remember that failure to complete this course prior to opening the Delta Services Business constitutes a breach of the Franchise Agreement by Franchisee

FRANCHISEE CERTIFICATION

I certify that on or before _____, 20__, I completed the above-referenced Post-Training Course

FRANCHISEE

_____

By _____
(Printed Name)

Its _____

Date _____

DESIGNATED EMPLOYEE (if required)

_____

By _____
(Printed Name)

Date _____

ATTACHMENT G
BY AND BETWEEN DELTA DEVELOPMENT GROUP, INC
AND
_____ ("FRANCHISEE")

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

The undersigned depositor ("**Depositor**") hereby authorizes Delta Development Group, Inc ("**Company**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") to debit such account pursuant to Company's instructions

Company Name	Bank Name
Company Address	City, State, Zip Code
Bank Transit/ABA Number	Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account These rights are in addition to any rights Depositor may have under federal and state banking laws

Depositor	**Depository**
By _____	By _____
Title _____	Title _____
Date _____	Date _____

ATTACHMENT H
TO FRANCHISE AGREEMENT

SAMPLE
ACKNOWLEDGMENT OF TERMINATION AND RELEASE AGREEMENT

This Acknowledgment of Termination and Release Agreement ("**Agreement**") is entered into this _____ day of _____, 20__, between Delta Development Group, Inc ("**Franchisor**") and _____ ("**Franchisee**") The Franchisee and the Franchisor will collectively be referred to herein as the "**Parties** "

RECITALS

WHEREAS, Franchisor and Franchisee entered into that certain franchise agreement ("**Franchise Agreement**") dated _____, 20__, in which Franchisor granted Franchisee the right to operate a Delta Services Business in the authorized Area of Primary Responsibility ("**Authorized Area of Primary Responsibility**") described in **Attachment A** of the Franchise Agreement, and

WHEREAS, on _____ 20__, Franchisee's rights under the terms of the Franchise Agreement were terminated ("**Termination**") as a result of _____

WHEREAS, the Parties desire to enter into this Agreement for the purpose of acknowledging the Termination, acknowledging Franchisor's retention of all rights and remedies under the Franchise Agreement including, but not limited to, Franchisor's right to retain all Franchise Fees, Royalties, National Marketing Fees, Warranty Fund Contributions, training fees, and any and all other fees paid to Franchisor, and right to audit Franchisee's books and records, and fully and finally resolving all legal and equitable claims, known or unknown, of Franchisee existing against Franchisor that were or could have been asserted by Franchisee in any action

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, the parties hereto hereby covenant, promise and agree as follows

AGREEMENT

1 Acknowledgment of Termination Franchisee acknowledges and agrees that all of its rights under the Franchise Agreement and any other agreement between Franchisor and Franchisee (collectively, the "**Franchise Documents**"), were fully and finally terminated on _____ 20__ Franchisee agrees to abide by all provisions which expressly survive the Termination of the Franchise Documents, as more fully set forth in the Franchise Documents

2 Release by Franchisee As of the date of this Agreement, Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its respective heirs, executors, administrators, representatives, successors, assigns, officers, members, managers, directors, shareholders, employees, partners, and Affiliates (as hereinafter defined) (collectively, the "**Franchisee Releasing Parties**"), Franchisor and its past, present and future officers, directors, agents, attorneys, employees, shareholders, successors, assigns, members, managers, and Affiliates (collectively, the "**Franchisor Released Parties**"), for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with the Delta Services

Business or the Franchise Documents or any other contractual relation between Franchisee and Franchisor and/or any Affiliate of the Franchisor, which the Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of the Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof The Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of the Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury either to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof The Franchisor Released Parties are not releasing any claim which they may have against the Franchisee Releasing Parties or any rights or remedies the Franchisor Released Parties may have under the Franchise Documents or the Non-Disclosure and Non-Competition Agreement (including, but not limited to, the right to retain all Franchise Fees, Royalties, National Marketing Fees, Warranty Fund Contributions, training fees, and any and all other sums paid to the Franchisor or its Affiliates by the Franchisee or its Affiliates and any audit rights), under law or equity, or under any other contractual relationship between the Franchisee and the Franchisor and/or any Affiliate of the Franchisor

3 Affiliates When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933

4 Full Release Except as is set forth in this Agreement, the Parties intend that this Agreement shall be effective as a full and final accord and satisfaction and release as to the Franchisor Released Parties and shall extend to all matters, claims, demands, actions or causes of action of any kind or nature whatsoever which the Franchisee Releasing Parties may have against the Franchisor Released Parties The Parties acknowledge that they may hereafter discover facts in addition to, or different from, those which they now know or believe to be true with respect to the subject matter of this Agreement but that, notwithstanding the foregoing, it is their intention hereby to fully, finally, completely and forever settle and release the Franchisor Released Parties and that the release given herein shall be and remain irrevocably in effect as a full and complete general release notwithstanding the existence of any such additional or different facts

5 No Coercion The Parties acknowledge that they are freely and voluntarily entering into this Agreement, uncoerced by any person, and that they have been advised and afforded the opportunity to seek the advice of legal counsel of their choice with regard to this Agreement

6 Notices Any notices given under this Agreement shall be in writing and if delivered by hand, or transmitted by U S certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party

7 Binding Effect This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns

8 Amendments This Agreement may not be changed or modified except in a writing signed by all of the parties hereto

9 Governing Law This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Colorado

10 Jurisdiction The Parties agree that any disputes relating to the enforcement of this Agreement will be governed by the dispute resolution provisions set out in the Franchise Agreement

11 Fees and Costs In any action to enforce, interpret or seek damages for violation of this Agreement, Franchisor shall recover all attorney's fees and litigation expenses

12 Severability If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby

13 Authorization Each Party warrants that each individual executing this Agreement on behalf of the respective Parties is fully authorized to do so by each of the respective Parties and each individual executing this Agreement warrants that he or she is acting within the scope of his or her employment and authority in executing this Agreement

14 Counterparts and Telecopies This Agreement may be executed in counterparts or by copies transmitted by telecopier, all of which shall be given the same force and effect as the original This Agreement shall be effective when the signatures of all Parties have been affixed to counterparts or copies

15 Entirety This Agreement contains the entire agreement between the Parties related to the subject matter hereof, and in entering into this Agreement, each Party represents that he, she, or it is doing so voluntarily and of his, her or its own free will, and have executed this Agreement below acknowledging that each Party has completely read and fully understands the terms of this Agreement

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written

FRANCHISOR	**FRANCHISEE**
Delta Development Group, Inc a Colorado corporation	_____,
By _____	By _____
Its _____	Its _____

ATTACHMENT I
TO FRANCHISE AGREEMENT

SBA ADDENDUM

THIS ADDENDUM ("**Addendum**") is made and entered into on _____, 20__, by and between Delta Development Group, Inc , located at 5535 West 56th Avenue, Suite 104, Arvada, Colorado 80002 ("**Franchisor**"), and _____, located at _____ ("**Franchisee**") All capitalized terms not defined in this Addendum have the respective meanings set forth in the Franchise Agreement (defined below)

RECITALS

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20__ ("**Franchise Agreement**") Franchisee agreed among other things to operate and maintain a franchise located in the Area of Primary Responsibility set forth in Attachment A to the Franchise Agreement Franchisee has obtained from a lender a loan ("**Loan**") in which funding is provided with the assistance of the United States Small Business Administration ("**SBA**") SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows

1 Section 15 4 of the Franchise Agreement is revised to provide that Franchisor consents to a lien on Franchisee's business assets as may be required in connection with any SBA financing

2 Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent under Section 15 7 of the Franchise Agreement

3 Section 15 9 of the Franchise Agreement is revised to provide that Franchisor will not operate the business for more than 90 days, which may be renewable as necessary for a period of up to one year, and that Franchisor will periodically discuss the status with Franchisee or Franchisee's legal representatives

4 Section 16 of the Franchise Agreement is revised to provide that Franchisor's right of first refusal will not apply to the transfer of a partial interest in Franchisee or the Delta Services Business

5 Section 17 2 of the Franchise Agreement is revised to provide that Franchisor will not operate the business for more than 90 days, which may be renewable as necessary for a period of up to one year, and that Franchisor will periodically discuss the status with Franchisee or Franchisee's legal representatives

6 This Addendum automatically terminates on the earliest to occur of the following (i) a termination occurs under the Franchise Agreement, (ii) the Loan is paid, or (iii) SBA no longer has any interest in the Loan

7 Except as expressly provided in this Addendum, the Franchise Agreement will remain enforceable according to its terms

8 Notwithstanding anything to the contrary in Section 5 6 of the Franchise Agreement,

Franchisor may designate one or more vendors for the call center services, provided, however, that Franchisee has the right to select its own vendor to use in place of any vendor selected by Franchisor, so long as Franchisor determines whether Franchisee's vendor meets Franchisor's standards Franchisor's approval in this matter will not be unreasonably withheld

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year first above written

FRANCHISOR

Delta Development Group, Inc
a Colorado corporation

By _____

Print Name _____

Title _____

FRANCHISEE

_____

By _____

Print Name _____

Title _____

DELTA DEVELOPMENT GROUP, INC.

EXHIBIT C

LIST OF CURRENT FRANCHISEES AND FORMER FRANCHISEES

EXHIBIT C

LIST OF CURRENT FRANCHISEES AND FORMER FRANCHISEES

List of current franchisees

Emmis Chellman
Delta Disaster Services of Southern Colorado
1120 Elkton Dr, Ste J
Colorado Springs, CO 80907
719 599 4200
echellman@delta-us com

Bill Krug
Caroline Hornback (General Manager)
Delta Disaster Services of Northern Colorado
7352 Green Ridge Drive, Unit A-6
Windsor, CO 80550
970 461 0077
bkrug@delta-us com

Mac Urie
Delta Disaster Services of Southern Utah
601 W 2675 N
Cedar City, UT 84721
435 865 1292
murie@delta-us com

Shane McKnight
Delta Disaster Services of Salt Lake
404 W 6110 S, Murray
Murray, UT 54107
801 916 3230
smcknight@delta-us com

Bruce and Tyler Milyard
Delta Disaster Services of Western Colorado
584 N Commercial Drive
Grand Junction, CO 81505
970 712 5298
bmilyard@delta-us com

Jim Cagle and Zach Lane
Delta Disaster Services of Eastern Gulf States
5465 Business Park Way, Unit A
Theodore, AL 36582
970 712 5298
jcagle@delta-us com
zlane@delta-us com
*Anticipated to open in Spring 2017

Jim Cagle and Zach Lane
Delta Disaster Services of Eastern Gulf States
To be determined in Jackson, MS
jcagle@delta-us com
zlane@delta-us com
*Anticipated to open in 2019

Jim Cagle and Zach Lane
Delta Disaster Services of Eastern Gulf States
To be determined in Montgomery, AL
jcagle@delta-us com
zlane@delta-us com
*Anticipated to open in 2021

List of franchisees who left the system in 2016

Marc Elakman
Delta Disaster Services of Palm Beach
3151 SW 14th Pl, Unit 9
Boynton Beach, FL 33426
561 364 3600
melakman@delta-us com

Eric and Faith Bones
Delta Disaster Services of SE Pennsylvania
110 Keystone Drive
Montgomeryville, PA 18936
215-699-3800
ebones@delta-us com

DELTA DEVELOPMENT GROUP, INC.

EXHIBIT D

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE

EXHIBIT D
LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 1-866-275-2677	Commissioner of Business Oversight 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8230	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S E Plaza Level, East Tower Atlanta, GA 30334 404-656-3790	Same
HAWAII	Dept of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Commissioner of Securities of the State of Hawaii Dept of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-696-5389	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen info) 504-342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W Ottawa Street G Mennen Williams Building, 1st Floor Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St Paul, MN 55101 651-296-4026	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 Lincoln, NE 68508 P O Box 95006 Lincoln, Nebraska 68509-5006 Tele 402-471-2171	Same
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 603-271-3641	Same
NEW YORK	Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 212-416-8222	Secretary of State of New York 41 State Street Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office/Securities Division 2 South Salisbury Street Raleigh, NC 27601 919-733-3924	Secretary of State Secretary of State's Office Same Address
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Bismarck, ND 58505-0510 701-328-4712, Fax 701-328-0140	North Dakota Securities Commissioner Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 614-466-8831 or 800-282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd Oklahoma City, OK 73105 405-521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Rhode Island Department of Business Regulation Securities Division John O Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 401-222-3048	Director, Rhode Island Department of Business Regulation Same address
SOUTH CAROLINA	Secretary of State P O Box 11350 Columbia, SC 29211 803-734-2166	Same
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501 605-773-4823	Director of the South Dakota Division of Securities Same Address
TEXAS	Secretary of State Statutory Documents Section P O Box 12887 Austin, TX 78711-2887 512-475-1769	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P O Box 45804) Salt Lake City, UT 84145-0804 TELE 801-530-6601 FAX 801-530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9th Floor 1300 E Main Street Richmond, VA 23219 804-371-9733	Clerk of the State Corporation Commission Tyler Building, 1st Floor 1300 E Main Street Richmond, VA 23219 804-371-9051
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Rd S W Tumwater, WA 98501 360-902-8762	Director, Dept of Financial Institutions Securities Division 150 Israel Rd S W Tumwater, WA 98501

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
WISCONSIN	Wisconsin Dept of Financial Institutions Division of Securities 345 W Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Same Address

DELTA DEVELOPMENT GROUP, INC.

EXHIBIT E

STATE-SPECIFIC ADDENDA

EXHIBIT E

STATE-SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are to the Delta Development Group, Inc Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__

The provisions of this State Law Addendum to Franchise Disclosure Document and Franchise Agreement ("**State Addendum**") apply only to those persons residing or operating Delta Services Business in the following states

CALIFORNIA

1 The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document

2 Neither Delta Development Group nor any person identified in ITEM 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling such persons from membership in such association or exchange

3 California Business and Professions Code 20000 through 20043 provides rights to you concerning termination, transfer, or non-renewal of a franchise If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control

4 The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)

5 The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under California law

6 The Franchise Agreement requires application of the laws of Colorado This provision may not be enforceable under California law

7 Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise

8 The Franchise Agreement requires you to sign a general release if you renew or transfer your franchise California Corporations Code § 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§ 31000 through 31516) Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043)

9 The Franchise Agreement requires binding arbitration The arbitration will occur in Denver, Colorado, with the costs being borne equally by both parties Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 4 Code of Civil Procedure

Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www dbo ca gov

HAWAII

The following is added to the Cover Page

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU

The following list reflects the status of the franchise registrations of the Franchisor in the states which require registration

1 This proposed registration is effective in the following states

None

2 This proposed registration is or will shortly be on file in the following states

None

3 States which have refused, by order or otherwise, to register these franchises are

None

4 States which have revoked or suspended the right to offer the franchises are

None

5 States in which the proposed registration of these franchises has been withdrawn are

None

ILLINOIS

Franchise Disclosure Document

1 The following language is added to the Risk Factors on cover page of the Franchise Disclosure Document

> THE GOVERNING LAW, VENUE AND JURISDICTION REQUIREMENTS IN THE FRANCHISE DISCLOSURE DOCUMENT AND IN THE FRANCHISE AGREEMENT ARE SUBJECT TO THE PROVISIONS OF THE ILLINOIS FRANCHISE DISCLOSURE ACT, AND NOTHING IN THESE DOCUMENTS SHALL BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE ILLINOIS FRANCHISE DISCLOSURE ACT

2 Any provision in the Franchise Disclosure Document or contained in the Franchise Agreement that designates jurisdiction, limitation on actions, or litigation venue in a forum outside the State of Illinois is amended to state that Illinois law governs the franchise relationship as well as site for litigation jurisdiction and venue

3 The governing law or choice of law clause described in the Franchise Disclosure Document and contained in the Franchise Agreement may not be enforceable under Illinois law This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable

4 Item 17(v) Choice of Forum, is revised to include the following "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 41 of the Illinois Franchise Disclosure Act "

5 Item 17(w) Choice of Law, is revised to include the following "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 41 of the Illinois Franchise Disclosure Act "

6 Each provision of this State-Specific Addenda to the Delta Development Group Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this State-Specific Addenda

7 Section 5(2) of the Illinois Franchise Disclosure Act requires 14 calendar days' disclosure prior to the signing of a binding agreement or the payment of any fees to us Item 23 of the Franchise Disclosure Document is amended accordingly, to the extent required by Illinois law

Franchise Agreement

1 The following shall be added to Section 21 1 of the Franchise Agreement

21 1(a) The foregoing shall not be considered a waiver of any right conferred upon you under Section 41 of the Illinois Franchise Disclosure Act Nothing contained herein shall affect Franchisor's rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by Franchisor to enforce any judgment against Franchisee entered by a state or federal court

2 Section 21 of the Agreement shall be supplemented by the addition of a new paragraph, which shall be considered an integral part of the Agreement

21 13 Section 4 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this act or any other law of Illinois is void "

3 Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum

INDIANA

Franchise Disclosure Document

1 Anything in the Franchise Disclosure Document contrary to Section 1(10) of the Indiana Deceptive Franchise Practices Act shall be construed so that litigation brought for breach of the Franchise Agreement is not limited in any manner whatsoever

2 Item 12 is modified to provide that we cannot operate a business which is substantially identical to a Delta Services Business within the Area of Primary Responsibility

3 Item 17(c) is modified to delete the words "sign release "

4 Item 17(m) is modified to delete the words "release signed by you "

5 Item 17(r) is modified so that the phrase "within 100 miles of the Area of Primary Responsibility or any other Delta Services Business" is replaced by the phrase "within the Area of Primary Responsibility granted by the Franchise Agreement "

6 Item 17(v) is modified to include the following "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 1(10) of the Indiana Deceptive Franchise Practices Act "

7 Item 17(w) is modified to include the following "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 1(10) of the Indiana Deceptive Franchise Practices Act "

8 Each provision of this State-Specific Addenda to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Deceptive Franchise Practices Act are met independently without reference to this State-Specific Addenda

Franchise Agreement

1 The following shall be added to Section 3 of the Franchise Agreement

> 3 1(a) In exercising discretion to extend the Franchisee's rights to operate the Delta Services Business the Agreement for a Successor Term, the Franchisor may not refuse to extend the Franchisee's rights to operate the Delta Services Business without good cause or in bad faith

2 Section 4 2 of the Agreement is revised to include the following language

> (f) Notwithstanding the language in this Section 4 2, the Franchisor cannot operate a business which is substantially identical to a Delta Services Business within the Area of Primary Responsibility

3 Section 14 of the Franchise Agreement is revised to comply with Section 1(9) of the Indiana Deceptive Franchise Practices Act, specifically, the phrase in Section 14 2(b) of the Franchise Agreement "within one hundred (100) miles of the Area of Primary Responsibility or any other franchisee's territory" shall be replaced with the phrase "within the Area of Primary Responsibility granted by this Agreement "

4 Section 21 1 of the Franchise Agreement is revised to include the following language

> 21 1(a) The foregoing shall not be considered a waiver of any right conferred upon the Franchisee under Section 1(10) of the Indiana Deceptive Franchise Practices Act Nothing contained herein shall affect the Franchisor's rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by the Franchisor to enforce any judgment against the Franchisee entered by a state or federal court

5 Section 21 of the Franchise Agreement is revised to include the following new paragraph

> 21 13 Section 1(5) of the Indiana Deceptive Franchise Practices Act states that it is unlawful for this Agreement to require the Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this Act or requires any controversy between the parties to be referred to any person, if referral would be binding on the Franchisee Accordingly, Section 3 4(a) shall be stricken from the Franchise Agreement

6 Each provision of this State-Specific Addenda shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Deceptive Franchise Practices Act are met independently without reference to this State-Specific Addenda

MARYLAND

Franchise Disclosure Document

1 Termination for bankruptcy filing may not be enforceable under the U S Bankruptcy Act

2 Item 17(c) is revised to provide that you are not required to sign a release as a condition to renewal

3 Item 17(m) is revised to provide that you are not required to sign a release as a condition to a transfer

4 Item 17(v) is revised to provide that you may sue in Maryland or arbitrate in Colorado for claims arising under the Maryland Franchise Registration and Disclosure Law

5 Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

Franchise Agreement

1 Section 3 4(a) of the Franchise Agreement is deleted

2 Section 15 7(c) of the Franchise Agreement is deleted

3 Section 17 1(c) of the Franchise Agreement is revised to provide that termination upon bankruptcy may not be enforceable under the U S Bankruptcy Act

4 Section 21 1 of the Franchise Agreement is revised to include the following language

> Notwithstanding the provisions of this Section, the Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

5 The representations made in Section 22 are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

6 The representations made in **Exhibit G**, Statement of Franchisee, are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

MICHIGAN

Franchise Disclosure Document

The Franchise Disclosure Document is revised to provide that the following provisions are void and unenforceable under Michigan law

1 A prohibition on the right of a franchisee to join an association of franchisees

2 A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims

3 A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause Good cause shall include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written

notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure

4 A provision that permits a franchisor to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation This subsection applies only if (a) the term of the franchise is less than 5 years and (b) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, servicemark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six months' advance notice of franchisor's intent not to renew the franchise

5 A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances This section does not require a renewal provision

6 A provision requiring that arbitration or litigation be conducted outside this state This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state

7 A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise Good cause shall include, but is not limited to

(a) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards

(b) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor

(c) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations

(d) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer

8 A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c)

9 A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services

MINNESOTA

Franchise Disclosure Document

1 Minn Stat § 80C 21 and Minn Rule 2860 4400J prohibit us from requiring litigation to be conducted outside Minnesota In addition, nothing in the Franchise Disclosure Document can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

2 We will comply with Minn Stat Sec 80C 14, Subds 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Agreement

3 Item 13 is revised to include the following language

> We will protect your rights to use the trademarks, servicemarks, trade names, logo types or other commercial symbols related to the Marks, or, indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks

4 Item 17(c) is revised to delete the phrase "sign release " Item 17(m) is revised to delete the phrase "release signed by you "

5 We are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C 01 to 80C 22, provided that the foregoing shall not bar the voluntary settlement of disputes

6 Each provision of this State-Specific Addenda shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Minnesota Statutes, Chapter 80C are met independently without reference to this State-Specific Addenda

Franchise Agreement

1 Minn Stat § 80C 21 and Minn Rule 2860 4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota In addition, nothing in the Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

2 Delta Development Group will comply with Minn Stat Sec 80C 14, Subds 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement

3 Section 10 3 is revised to include the following

> Franchisor will protect your right to use the Marks, or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks

4 Delta Development Group is prohibited from requiring a franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota

Statutes, Sections 80C 01 to 80C 22, provided that the foregoing shall not bar the voluntary settlement of disputes

5 Each provision of this State-Specific Addenda shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Minnesota Statutes, Chapter 80C are met independently without reference to this State-Specific Addenda

NEW YORK

1 The following language is added to the Risk Factors on cover page of the Franchise Disclosure Document

> THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS
>
> WE REPRESENT THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT

2 The following paragraphs are inserted at the end of Item 3 of the Franchise Disclosure Document

Neither the franchisor, its predecessors, nor any person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark has an administrative, criminal or civil action pending (or a significant number of civil actions irrespective of materiality) alleging a felony, a violation or any franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, unfair or deceptive practices, misappropriation of property or comparable civil or misdemeanor allegations

Neither the franchisor, its predecessors, nor any person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegation

Neither the franchisor, its predecessors, nor any person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent

3 The following paragraphs are inserted at the beginning of Item 4 of the Franchise Disclosure Document

Neither the franchisor, nor any affiliate or predecessors, officers or general partner of the franchisor, during the 10-year period immediately before the date of the Disclosure Document (a) filed as debtor (or had filed against it) a petition to start as action under the U S Bankruptcy Code, (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in partnership that either filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership

Neither the franchisor, nor any affiliate or predecessors, officers or general partner of the franchisor, during the 10-year period immediately before the date of the Disclosure Document filed (or had filed against it) an action in a foreign bankruptcy case

4 The following language is added to Item 17 of the Franchise Disclosure Document

Item 17(d) Termination by Franchisee, is revised to include the following "franchisee may terminate the agreement on any grounds available by law "

Item 17(j) Assignment of contract by Franchisor, is revised to include the following "However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement "

Item 17(w) Choice of law, is revised to include the following "The forgoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York "

5 Franchise Agreement

Section 3 4(a) of the Agreement is revised to include the following language

> Provided, however, that all rights arising in Franchisee's favor from the provisions of Article 33 of the GBL of the State of New York and the regulations issues thereunder shall remain in force, it being the intent of this provision that the non-waiver provisions of GBL, sections 687 4 and 687 5 be satisfied

NORTH DAKOTA

Sections of the Franchise Disclosure Document and Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal and or assignment, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law To the extent such sections are unenforceable under North Dakota law, these sections shall be deemed deleted under the terms of this Addendum

The Franchise Agreement and Non-Disclosure and Non-Competition Agreement contain a covenant not to compete which may not be enforceable under North Dakota law

Sections of the Franchise Disclosure Document and Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

Sections of the Franchise Disclosure Document and Franchise Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

Sections of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to liquidated damages and/or termination penalties, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

Sections of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to a waiver of trial by jury, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

Sections of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

Sections of the Franchise Disclosure Document and Franchise Agreement requiring your consent to a limitation of claims within one year may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

RHODE ISLAND

§ 19-28 1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act" The Franchise Disclosure Document and the Franchise Agreement are amended accordingly to the extent required by law

VIRGINIA

In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Delta Development Group, Inc for use in the Commonwealth of Virginia shall be amended as follows

Additional Disclosure The following statements are added to Item 17 e

> Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable
>
> Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise If any provision of the Franchise Agreement involves the use of undue influence by the

franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable

In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Delta Development Group, Inc for use in the Commonwealth of Virginia shall be amended as follows

Additional Disclosure The following statements are added to Item 17 h

> Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable

The third sentence of the third paragraph of the FTC Cover Page is amended to state

> "You must receive this disclosure document at least 14 days before you sign a binding agreement or make any payment in connection with the franchise sale or grant "

The first sentence of the second paragraph of both Receipt Pages is amended to state

> "If Delta Development Group, Inc offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Delta Development Group, Inc or an affiliate in connection with the proposed franchise sale or grant "

WASHINGTON

Franchise Disclosure Document and Franchise Agreement

1 The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with Delta Development Group including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with Delta Development Group including the areas of termination and renewal of your franchise

2 In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

3 In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, shall prevail

4 A release or waiver of rights executed by you shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, such as rights to jury trial may not be enforceable

5 Transfer fees are collectable to the extent they reflect Delta Development Group's reasonable estimated or actual costs in effecting a transfer

6 The State Cover Page of the Franchise Disclosure Document is amended to add the following risk factor

"FRANCHISOR HAS AN OPERATING HISTORY OF FEWER THAN FOUR YEARS AND A LIMITED FINANCIAL CONDITION THAT INCLUDES NET LOSSES IN ITS THREE MOST RECENT FISCAL YEARS OF OPERATION "

ACKNOWLEDGMENT

It is agreed that the applicable foregoing State Specific Addenda, if any, supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____ 20__, and of the Franchise Disclosure Document

DATED this _____ day of _____ 20__

FRANCHISOR	**FRANCHISEE**
DELTA DEVELOPMENT GROUP, INC	_____
By _____	By _____
Title _____	Title _____

DELTA DEVELOPMENT GROUP, INC.

EXHIBIT F

OPERATIONS MANUAL
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DELTA DEVELOPMENT GROUP, INC.

EXHIBIT G

STATEMENT OF FRANCHISEE

EXHIBIT G

STATEMENT OF FRANCHISEE

[Note Dates and Answers Must be Completed in the Prospective Franchisee's Own Handwriting]

In order to make sure that no misunderstanding exists between you, the Franchisee, and us, Delta Development Group, Inc (also called "**Delta Development Group**," the "**Franchisor**" or "**we**"), and to make sure that no violations of law might have occurred, and understanding that we are relying on the statements you make in this document, you assure us as follows

A The following dates are true and correct

	Date	Initials	
1	_____, 20____	_____	The date on which I received a Franchise Disclosure Document regarding the Delta Services Business
2	_____, 20____	_____	The date of my first face-to-face meeting with Marketing Representative to discuss a possible purchase of a Delta Services Business
3	_____, 20____	_____	The date on which I received a completed copy (other than signatures) of the Franchise Agreement which I later signed
4	_____, 20____	_____	The date on which I signed the Franchise Agreement
5	_____, 20____	_____	The earliest date on which I delivered cash, check or other consideration to the Marketing Representative or an officer of Delta Development Group

B Representations

1 No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side agreements," options, right-of-first-refusal or otherwise have been made to or with me with respect to any matter (including but not limited to advertising, marketing, site location, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise), nor have I relied in any way on same, except as expressly set forth in the Franchise Agreement or an attached written addendum signed by Delta Development Group and me, except as follows

_____

_____

(If none, you should write NONE in your own handwriting and initial)

2 No oral, written, visual or other promises, agreements, commitments, representation, understandings, "side agreements" or otherwise which expanded upon or were inconsistent with the Franchise Disclosure Document or the Franchise Agreement or any attached written addendum signed by

me and an officer of Delta Development Group, were made to me by any person or entity, nor have I relied in any way on same, except as follows

_____

_____

(If none, you should write NONE in your own handwriting and initial)

3 Except as expressly set forth in Item 19 of the Franchise Disclosure Document, no oral, written, visual or other claim or representation (including but not limited to charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise,) which stated or suggested a specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) from the Delta Services Business was made to me by any person or entity, nor have I relied in any way on same, except as follows

_____

_____

(If none, you should write NONE in your own handwriting and initial)

4 No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including but not limited to my obtaining financing, or my fully performing any of my obligations), nor have I relied in any way on same, except as expressly set forth in the Franchise Agreement or any attached written addendum signed by Delta Development Group and me

_____

_____

(If none, you should write NONE in your own handwriting and initial)

5 The individuals signing for me constitute all of the executive officers, partners, shareholders, investors and/or principals Each of such individuals has reviewed the Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, each attached written addendum and any personal guaranties

6 I have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and Delta Development Group has strongly recommended that I obtain such independent advice I have also been strongly advised by Delta Development Group to discuss my proposed purchase of the Delta Services Business with any existing Delta Development Group franchisees prior to signing any binding documents or paying any sums and Delta Development Group has supplied me with a list of all existing franchisees if any exist

7 I understand that a) entry into any business venture necessarily involves some unavoidable risk or loss or failure, b) while the purchase of a franchise may improve the chances for success, the purchase of a Delta Services Business or any other franchise is a speculative investment, c) investment beyond that outlined in the Franchise Disclosure Document may be required to succeed, d) there exists no guaranty against possible loss or failure in this or any other business, and e) the most important factors in the success of any Delta Services Business, including the one to be operated by me, are my personal business skills, which include marketing, sales, and management, and require sound judgment and extremely hard work

If there are any matters inconsistent with the statements in this document or if anyone has suggested that you sign this document without all of its statements being true, correct and complete, immediately inform Delta Development Group (Phone (720) 880-5871) and our president

You understand and agree that we do not furnish, or authorize our salespersons, brokers or others to furnish any oral or written information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or information from which such items might be ascertained), from franchise or non-franchised units, that no such results can be assured or estimated, and that actual results will vary from unit to unit

You understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete

PROSPECTIVE FRANCHISEE

_____
Date

MARKETING REPRESENTATIVE

_____
Date

REVIEWED BY FRANCHISOR

By _____

Its _____

Date _____

DELTA DEVELOPMENT GROUP, INC.

EXHIBIT H

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

EXHIBIT H

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

This Non-disclosure and Non-competition Agreement ("**Agreement**") is made and entered into this ____ day of _____ 20___, by and between Delta Development Group, Inc , a Colorado corporation ("**Company**") located at 5535 W 56th Avenue, Suite 104, Arvada, Colorado 80002, and _____ ("**Associate**"), who resides or has a principal place of address at _____

RECITALS

A The Company is engaged in the business of selling franchises for the operation of a business offering commercial and residential property restoration, remediation, mitigation, reconstruction, remodeling and consulting services to customers ("**Delta Services Business**") The Delta Services Business is operated under the Company's trademark "Delta Disaster Services Peace of Mind During Uncertain Times®" and other service marks, trademarks, logo types, designs, and other commercial symbols (collectively "**Marks**"),

B The Company has developed methods for establishing, operating and promoting Delta Services Businesses pursuant to the Company's distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of the Company ("**Confidential Information**" and "**Trade Secrets**") and any Confidential Information and Trade Secrets as may be further developed periodically by the Company,

C The Company and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of its System, which goodwill and reputation have been and will continue to be of major benefit to the Company,

D Associate desires to become involved with the Company or a franchisee of the Company in the capacity of an officer, partner, director, agent, manager, employee, designated business manager or as a beneficial owner of the Delta Services Business, or is an immediate family member, spouse or domestic partner of a principal owning an interest in the Delta Services Business, and will become privileged as to certain Confidential Information and Trade Secrets Associate may or may not have signed the Franchise Agreement or Guaranty and Assumption of Franchisee's Obligations form, and

E Associate and the Company have reached an understanding with regard to nondisclosure by Associate of Confidential Information and Trade Secrets and with respect to non-competition by Associate with the Company and other franchisees of the Company Associate agrees to the terms of this Agreement as partial consideration for the Company's willingness to allow Associate to engage in a business relationship with Company or a franchisee of the Company using the Company's Confidential Information and Trade Secrets

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and the Company, intending legally to be bound, agree as follows

1 Definitions

(a) "**Associate**" shall mean the individual or entity described on page 1 of this Agreement and the Associate's managers, officers, beneficial owners, directors, employees, partners, members, principals and immediate family members

(b) "**Competitive Business**" as used in this Agreement means any business operating in competition with a Delta Services Business or any business offering disaster recovery or mitigation services or products similar to the Delta Services Business, provided, however, Associate will not be prohibited from owning not more than a total of 5% of the stock of any company which is subject to the reporting requirements of the U S Securities and Exchange Act of 1934

(c) "**Confidential Information**" shall mean without limitation, all knowledge, know-how, standards, formulas, methods and procedures related to the establishment and operation of the Delta Services Business and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Delta Services Business including, without limitation, all databases (whether in print, electronic or other form), all names, addresses, phone numbers, email addresses, customer purchase records, mail lists, manuals, promotional and marketing materials, marketing strategies and any other data and information which the Company or its affiliates designates as confidential including all information contained in the Company's Operations Manual, which may be provided as one or more separate manuals, written instructional guides, CD Rom, or other communications from the Company or its affiliates, which may be changed or supplemented periodically

(d) "**Franchise Agreement**" shall mean the franchise agreement between Company and _____ dated _____ as amended or renewed periodically

(e) "**Area of Primary Responsibility**" shall have the meaning defined in the Franchise Agreement

(f) "**Term**" shall have the meaning defined in the Franchise Agreement

(g) "**Trade Secret(s)**" shall mean information, including a formula, pattern, compilation, program, device, method, technique or process related to the Delta Services Business that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy

2 Confidential Information and Trade Secrets Associate and the Company acknowledge that the Confidential Information and Trade Secrets which is developed and utilized in connection with the operation of the Delta Services Business is unique and the exclusive property of the Company or its affiliates Associate acknowledges that any unauthorized disclosure or use of the Confidential Information and Trade Secrets would be wrongful and would cause irreparable injury and harm to the Company or its affiliates Associate further acknowledges that the Company or its affiliates has expended a great amount of effort and money in obtaining and developing the Confidential Information and Trade Secrets, that the Company or its affiliates has taken numerous precautions to guard the secrecy of the Confidential Information and Trade Secrets, and that it would be very costly for competitors to acquire or duplicate the Confidential Information and Trade Secrets

3 Nondisclosure of Confidential Information and Trade Secrets During the Term and any renewal Term of the Franchise Agreement and for a period of two years after the expiration or termination of the Franchise Agreement (unless this information is a Trade Secret in which case the requirements in this Section 3 will remain in place while this information constitutes a Trade Secret) Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Company or the Delta Services Business, any of the Confidential Information or Trade Secrets of the Company or its affiliates

4 Exceptions to Disclosing Confidential Information Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following (a) information that was in the public domain before being communicated to the Associate through no fault of the Associate, (b) information that entered the public domain after it was communicated to the Associate through no fault of the Associate, (c) information that was in the Associate's possession free of any obligation of confidence at the time it was communicated to the Associate, or (d) the disclosure of the Confidential Information in judicial or administrative proceedings if the Franchisee is legally compelled to disclose the information, if the Franchisee has notified the Franchisor before disclosure and used the Franchisee's best efforts, and afforded the Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to the Franchisor of confidential treatment for the information required to be so disclosed

5 Non-competition Covenant Associate acknowledges that the Company must be protected against the potential for unfair competition by Associate's use of the Confidential Information and Trade Secrets in direct competition with the Company Associate further acknowledges that the Confidential Information and Trade Secrets would not have been divulged to the Associate absent the Associate's agreement to strictly comply with the provisions of this Agreement Associate therefore agrees that other than the Delta Services Business licensed under the Franchise Agreement, Associate will not during the Term and renewal Term of the Franchise Agreement

(a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business,

(b) perform services as a manager, officer, beneficial owner, director, principal, employee, partner, member, consultant, representative, agent or otherwise for a Competitive Business, or

(c) divert or attempt to divert any business related to, or any customer or account of the Delta Services Business, the Company's business, the business of any affiliate of the Company or any other franchisee's business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of the Company or another franchisee licensed by Company, to any Competitive Business by any direct inducement or otherwise

6 Post-Termination Covenant Not to Compete Upon termination or expiration of the Franchise Agreement for any reason, Associate agrees that, for a period of two years commencing on the effective date of termination or expiration of the Franchise Agreement Associate will not have any direct or indirect interest (through any immediate family member of Associate or its beneficial owners or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any Competitive Business, located or operating (a) in the Area of Primary Responsibility or any other franchisee's Area of Primary Responsibility, (b) within 100 miles of the Area of Primary Responsibility or any other franchisee's Area

of Primary Responsibility, or (3) within 100 miles of any Company or Company's affiliate-owned Area of Primary Responsibility

The restrictions of this Section 6 will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding

The parties have attempted in this Agreement to limit the Associate's right to compete only if necessary to protect the Company from unfair competition The parties hereby expressly agree that if the scope of enforceability of the provision of Sections 5 and 6 are disputed at any time by the Franchisee, a court or arbitrator, as the case may be, may modify Sections 5 and 6 if it deems necessary to make these provisions enforceable under applicable law THE ASSOCIATE EXPRESSLY ACKNOWLEDGES THAT THE ASSOCIATE POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT THOSE SKILLS CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE ASSOCIATE OF THE ABILITY TO EARN A LIVING

7 Injunction Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Company shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Company may be entitled Associate agrees that the Company may obtain injunctive relief, without posting a bond or bonds Associate's sole remedy, in the event of the entry of injunctive relief, shall be dissolution of injunctive relief, if warranted, upon a hearing duly had, provided, however, that all claims for damages by reason of the wrongful issuance of any injunction are hereby expressly waived by Associate In any litigation, arbitration or other proceeding concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives any defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated, arbitrated or otherwise relating to any claimed "prior breach" on the part of the Company, it being specifically understood and agreed between the parties that no action or lack of action on the part of the Company will entitle or permit the Associate to disclose any Confidential Information and Trade Secrets in any circumstances

8 Effect of Waiver The waiver by Associate or the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof

9 Binding Effect This Agreement shall be binding upon and inure to the benefit of Associate and the Company and their respective heirs, executors, representatives, successors and assigns

10 Entire Agreement This instrument contains the entire agreement of Associate and the Company relating to the matters set forth herein It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought

11 Governing Law This instrument shall be governed by and construed under the laws of the State of Colorado

12 Jurisdiction and Venue In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Colorado, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Colorado Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Colorado Notwithstanding the foregoing, in the event that the laws of the state

where the Associate resides prohibit the aforesaid designation of jurisdiction and venue, then that other state's laws shall control

13 Severability If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, the holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect

14 Attorneys' Fees In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred by such party or parties (including without limitation those costs, expenses and fees on any appeals), and if the successful party shall recover judgment in any action or proceeding, those costs, expenses and attorneys' fees shall be included as part of the judgment

[Signatures on the following page]

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written

COMPANY	**ASSOCIATE**
DELTA DEVELOPMENT GROUP, INC	_____
By _____	By _____
Title _____	Print Name _____
Date _____	Date _____

DELTA DEVELOPMENT GROUP, INC.

EXHIBIT I

RECEIPT

EXHIBIT I

RECEIPT
(Retain This Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language Read this disclosure document and all agreements carefully

If Delta Development Group, Inc offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Delta Development Group, Inc or an affiliate in connection with the proposed franchise sale Under Illinois, Iowa, Maine, Nebraska, New York, Oklahoma, Rhode Island, or South Dakota law, if applicable, Delta Development Group, Inc must provide this disclosure document to you at your first personal meeting to discuss the franchise

If Delta Development Group, Inc does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on **Exhibit D**

The name, principal business address and telephone number of each franchise seller offering the franchise Michael Mastous, 5535 W 56th Avenue, Suite 104, Arvada, Colorado 80002, (720) 880-5871, _____

Issuance Date **March 17, 2017**

See **Exhibit D** for Delta Development Group, Inc 's registered agents authorized to receive service of process

I have received a disclosure document dated _____, that included the following Exhibits

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement
Exhibit C	List of Current Franchisees and Former Franchisees
Exhibit D	List of State Administrators and Agents for Service
Exhibit E	State-Specific Addenda
Exhibit F	Operations Manual Table of Contents
Exhibit G	Statement of Franchisee
Exhibit H	Non-Disclosure and Non-Competition Agreement
Exhibit I	Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name
Date	Signature	Printed Name

Please retain this copy for your records

EXHIBIT I

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(Our Copy)

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_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to Michael Mastous at 5535 W 56th Avenue, Suite 104, Arvada, Colorado 80002